

JPRS-LAM-85-046

23 May 1985

Latin America Report

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INTER-AMERICAN AFFAIRS

CARIBBEAN SATELLITE PLANNED AT INAUGURATION OF CANTO

Port-of-Spain EXPRESS in English 26 Apr 85 p 31

[Text]

A CARIBBEAN satellite to provide both broadcasting and other telecommunication links and services between Caricom states and Caribbean Broadcasting Union member countries was one of the issues discussed at the recently concluded Caribbean Association of National Telecommunication Organisations (CANTO) inaugural conference at the Holiday Inn.

Last week's conference, which comprised delegates from throughout the region, was hosted by the Trinidad and Tobago Telephone Company (TELCO) which was elected as the first CANTO chairman at the conclusion of the conference. Among the several issues discussed aimed at improving telecommunications in the region were:

- inputs for the next 809 (the international telephone area code for the region) conference agenda scheduled to be held in Jamaica in October 1985;

- the proposal to establish CARISAT, the Caribbean Satellite; and

- the need for co-operation between operating telephone companies and external carriers.

The four-day conference also established a CANTO finance committee with the following objectives:

- a. to plan and promote regional financial policies;
- b. to explore the establishment of a skill resource bank; and

- c. to establish a financial advisory team to consult with and assist telephone companies in smaller countries of the region with financing development programmes.

In addition to these resolutions, a draft constitution for the association was agreed upon in principle.

According to a release from TELCO, the first

meeting of the CANTO board is scheduled for the near future while the second annual CANTO conference will be held in early 1986 when a secretariat will be established to co-ordinate all activities of the association.

CSO: 3298/595

INTER-AMERICAN AFFAIRS

CARICOM FOREIGN MINISTERS PLAN MAY MEETING IN ST KITTS

Port-of-Spain TRINIDAD GUARDIAN in English 23 Apr 85 p 12

[Text]

GEORGETOWN, Mon., (Cana) — The security of small states, the strengthening of the Caribbean position in international organisations and diplomatic training in the region are among issues to be discussed at a meeting of Caribbean Secretariat (Caricom) Foreign ministers next month in St. Kitts, a Secretariat spokesman said here.

The ministers who meet from May 9 to 11 are also expected to review implementation of the Nassau Understanding agreed on last July by Caricom heads of Government as it relates to Caribbean-Latin American relations, the spokesman said.

The Nassau Summit expressed an interest in developing greater trade and economic co-

operation with Latin America. As a first step, the Andean Group of nations about the possibility of negotiating broadly based preferential trade and economic cooperation agreements.

Also listed on the agenda for the Foreign Ministers are Canada-Caricom relations, observer status for the Caribbean Community at the United Nations and the question of apartheid in sports.

Foreign Ministry officials will meet on May 8 to prepare for the meeting of their ministers.

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INTER-AMERICAN AFFAIRS

BRIEFS

BARBADOS TEAM IN TRINIDAD--Barbados Minister of Tourism and Environment, Hon Aaron Truss, will be in Trinidad and Tobago between April 25 and 28 on a tourism promotion session and to hold informal talks with Trinidad and Tobago businessmen. According to a release issued by the Barbados High Commission in Port of Spain, Truss will be accompanied by a 30-man mission, including Jack Dear, Chairman of the Board of Tourism; Patrick Hinds, Director of the Board of Tourism; Gordon Jordan, Chairman of the Barbados Tourism Investment Corporation; S.L. Taylor, Executive Director of the Chamber of Commerce; John Hampden, First Vice-President of the Barbados Manufacturers Association; and Basil Forbes, representing CARIMEX. The group will mount travel and trade presentations in San Fernando, a consumer presentation featuring the Merryman, a brunch for businessmen and a press briefing. [Text] [Port-of-Spain EXPRESS in English 26 Apr 85 p 3]

CARIBBEAN LABOR OFFICIAL--Carl Tully, general secretary of the Trinidad and Tobago Labour Congress, has been elected vice president for the Caribbean area and member of the Executive Council of the Inter-American Regional Organisation of Workers. Tull was appointed at ORIT's 11th Continental Congress held in Mexico City from April 16 to 19. According to a release from the Congress, ORIT has a membership of 20 million, comprising countries from North, Central and South America as well as the Caribbean area. The Congress was opened by the President of Mexico, Miguel de la Madrid. Among the matters discussed was a document entitled "New Approaches to the Economic Crisis in Latin America and the Caribbean." A resolution was adopted calling for the withdrawal of all foreign troops from Nicaragua and for the non-interference by foreign powers in the affairs of Central America. Tull also spent a few days in the United States where he held discussions with labour and government officials before returning to Trinidad on Tuesday night. [Text] [Port-of-Spain EXPRESS in English 25 Apr 85 p 3]

CHILE-ARGENTINA TOURISM--The first Chilean-Argentine Tourism Pact, considered the initial step to strengthen relations between the two countries, is in its final stage and about to be ratified by both governments. The proposed pact regulates, among other topics, aspects related to improvement of border passage, tourist promotion, the installation of tourist information offices, exchange of technicians and experts and planning integrated tours. The document was drawn up by a joint committee that met in Santiago with representatives from both countries. [Text] [Santiago ERCILLA in Spanish 3 Apr 85 p 7] 7717

CHILE-ARGENTINA INTEROCEANIC HIGHWAY--A delegation from the Argentine province of Catamarca came to Santiago to finalize a project to increase trade between the two countries. It was led by Deputy Governor Rodolfo Moran; Federico Argerich, secretary of planning; and Daniel Moran, director of construction. This project is based on an interoceanic highway now under construction that would connect the trans-Andean and Chilean territory up to the port of Caldera in Atacama. The group met with: the chairman of the Chilean-Argentine business committee, Eugenio Heiremans; the assistant director general of the FAO, Mario Jalil; and the general manager of ICARE [Chilean Institute for Rational Business Administration], Manuel Vargas. This last organization is doing research on trade integration of the two countries through an agreement with the Mediterranean Foundation of Argentina and the FAO. It was stated that, at this time, a segment of 47 kilometers has been completed and a second phase, another 22 kilometers in Argentine territory, will soon be done. The trans-Andean delegation also requested technical assistance from the FAO in Chile for the expansion of its agricultural-livestock production generated by the new road and the opening of the Chilean ports for exports from Catamarca, La Rioja, Tucuman, north of Cordova, Santa Fe, Corrientes and Misiones. Heiremans revealed that if customs barriers and other obstacles are removed, trade can quickly reach at least \$800 million compared to \$200 million now. [Excerpts] [Santiago LA NACION in Spanish 6 Apr 85 p 5] 7717

CS0: 3348/593

23 May 1985

ARGENTINA

ALFONSIN'S REASONS FOR ASIA, EUROPE VISIT REVIEWED

Buenos Aires SOMOS is Spanish 1 Feb 85 pp 22-26

[Excerpts] Exhausted by a series of official ceremonies and public appearances which left him only a brief interlude for rest, Alfonsin gathered the Argentine journalists on the morning of 28 January at his residence in the presidential palace (the ancient Rashtrapati Bhavan, formerly headquarters for the British colonial presence).

There, showing signs of exhaustion, he reported that trade agreements reached with India are of the utmost importance and will allow Argentina the hope of consolidating an effective presence in Asia, the most vital trade zone on earth and precisely the one in which our country is least active. Alfonsin made use of the conference to portray as "nonsense" the criticisms leveled in Buenos Aires about his visit to India. "It was said that it is absurd to have come to New Delhi to participate in a conference for peace and disarmament, precisely at the time when we are burdened with problems in Argentina; to me that is nonsense, for it is precisely because we have so many problems that we must try to solve the most serious ones," he added, with a degree of fatigue.

The Force of Ethics

Alfonsin also mentioned the crusade against nuclear demilitarization, an issue on which Argentina has joined with Sweden, Tanzania, Mexico and India. "It is not a question of accepting a political or ideological party, nor of taking the part of one of the factions involved in the race in which peoples defend their right to life and to the preservation of peace," he said.

In addition, the pace of activity imposed on him in India was truly crushing, and he only left the presidential palace to attend official ceremonies. The only rest permitted was a brief visit on Saturday to the Taj Mahal, the incredible white marble mausoleum that Shah Jahan built in 1630, on the banks of the Yamuna river, in memory of his wife, Mumtaz Mahal.

Invited by the Indian government to participate in the visit, Alfonsin toured the monument and visited the red fort, ancient residence of the governor of the city of Agra, lunching later at the Sheraton Hotel, one of India's principal tourist centers.

Why India

In Buenos Aires more than one head shook doubtfully when the presidential trip was announced. To India? What purpose would a visit to India serve? Many quickly reached the conclusion that the president is an incorrigible tourist (it is not in vain that he has traveled enough kilometers to circle the globe several times in just one year in office) or that he is looking abroad for the successes that he needs so badly at home.

However, that is not how things are. Argentina--even more so after its unfortunate experience with the Malvinas--needs to regain its prestige in the international field, and it knows that the only possibility for this lies in improving its relations with the developed countries, and in the incentive it can provide for its ties with the Third World.

With his European appearance and personality that permits him to operate on an equal footing with representatives of developed European countries or leaders of Asian and African countries, Alfonsin understands that his role, and that of Argentina, is to act as a sort of facilitator for give-and-take in the delicate and often uneven dialog between North and South. Convinced that the best thing for Argentina is to play the role of mediator between the rich and the poor of the earth, Alfonsin has chosen his role, and this visit to India is a clear indication of it.

To Argentina, this country represents the possibility of placing its exports in a market of 600 million consumers, as well as consolidating a commercial gateway providing access to all of Asia.

In the opinion of Ricardo Campero--who, along with Special Affairs Ambassador Jorge Sabato and President Alfonsin himself, were the ones who worked most actively on this trip--the criticisms leveled about the visit in Buenos Aires have a clearly political undertone.

"In Argentina there are two clearly differentiated sectors. One is the national sector, which seeks the country's autonomous development and knows that the consolidation of dialog and trade with other southern hemisphere countries is a way toward economic independence. The other sector is that of the Argentina that serves foreign interests. A group that not only does not favor the country's decisive progress toward seeking new markets, but which also surely bewails the fact that we are emerging to compete in the traditional markets of Great Britain," said Ricardo Campero in an aside to SOMOS.

To the president--a man notorious for making moderation his style--the matter passes as a lack of comprehension of world political phenomena, which nowadays force countries to reevaluate their roles and to establish realistic and dynamic policies that will tend to solve the crisis. It is not necessary for him to say so.

One of the fundamental reasons for this trip is the democratic reaffirmation of Argentina in a country which is not only the largest democracy in the world, but one which has definitely chosen that way of solving its domestic problems and the way of peace in its international affairs. Nonalignment, fighting for peace and respect for democratic institutions. Those are the three items that unite Argentina and India and which formed a framework for President Alfonsin's visit. All of this is secondary to the commercial content of the visit, which gives rise to optimism concerning the future growth of our exports to Asia.

If Paris was well worth hoping for the possibility of opening new markets for our exportable goods is well worth the effort entailed in this exhausting trip.

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CS0: 3348/378

ARGENTINA

BANKERS FOLLOW GOVERNOR'S STAND AGAINST CENTRAL BANK

Buenos Aires LA VOZ in Spanish 1 Feb 85 p 9

[Text] The president of the Association of Provincial Banks (ABAPRA), Roberto Vaccarone, has stated that he feels his organization has "exhausted all requests for talks" with the principal authorities of the Central Bank, Enrique Garcia Vazquez and Leopoldo Portnoy. He added that there is a possibility that the credit institutions will adopt an attitude similar to that of the governor of Entre Rios, that is, of not sending the money owed.

Along those lines, he added that "the last resort for negotiations" are the political men in the Central Bank, such as Carlos Contin, considered to be a former leader of radicalism.

Vaccarone, who is also president of the Bank of Tucuman Province, stated that "if the Central Bank of the Argentine Republic (BCRA) carries out the foreclosures because payments due on a particular line of rediscount have not been made, tomorrow we will close due to lack of funds."

The ABAPRA official also said that "there are no funds in the state treasuries," and that the situation has become "so difficult that, in order to salvage the distressingly dramatic situation of recession and paralysis of the provincial economies, the provincial bank treasuries have had to go to the aid of the provinces themselves."

Regarding measures that should be taken in view of such a difficult economic situation, Vaccarone did not discount the possibility that the stance of Entre Rios Governor Sergio Montiel "might be imitated," since ABAPRA's 23 provincial member banks and 8 municipal finance institutions "find themselves in exactly the same situation."

"The treasuries are empty and we have repeated our SOS to the president of the Central Bank, but we have not received a reply. This forces us to consider the situation with government politicians, such as Carlos Contin and Antonio Troccoli, who have promised us a definitive statement this week," said Vaccarone.

The ABAPRA president charged that the national government is not facing up to "the financial problem successfully, and is seeking to solve the foreign debt by creating a domestic debt that is insurmountable for the recession-plagued regional economies."

The official also denounced the existence of "arbitrary discrimination that commits an outrage against provincial banks to protect the treasuries of the national banks," such as in the case of BANADE [National Development Bank], which has the resources to meet the issuing of credit."

Vaccarone said that he feels these differences in treatment by the Central Bank, "providing money for funding national credit institutions," are "a political measure devoid of positive results for radicalism's national image."

He then repeated the need for a "political response," since "requests for talks with Garcia Vazquez and Portnoy have been exhausted." Because of this, our only recourse is to await a favorable response from the Interior Ministry or from the BCRA politician, Carlos Contin, who has always been receptive to our claims."

Asked about the serious crisis that the provincial treasuries are undergoing, he explained that the problem of the banks of Entre Rios, Mendoza and Tucuman "is a result of the lines of rediscount that were granted."

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ARGENTINA

ATHOS FAVA ENDORSES CASTRO'S VIEW ON FOREIGN DEBT APPROACH

Buenos Aires QUE PASA in Spanish 10 Apr 85 p 4

[Text] Latin America's staggering foreign debt and the formation of a powerful movement of peoples and governments to oppose this new form of imperialist domination and blackmail, were the main topic of the talks that a delegation of the Communist Party of Argentina held recently in Havana with Fidel Castro and other Cuban leaders.

Accepting an invitation from the Cuban Communist Party, a delegation made up of the secretary general of the Argentine Communist Party, Athos Fava, Jorge Pereyra, Fernando Nadra and Fany Edelman traveled to the island in late March. They met there with Fidel Castro (almost 10 hours of talks over 2 days), Carlos Rafael Rodriguez, Jesus Montane and other leaders of the Cuban Revolution. They examined a number of recent developments in Latin America and the world, primarily the aforementioned debt issue, as well as the activities of the two parties in their countries.

Upon his return to Buenos Aires, Athos Fava voiced his complete agreement with the approach and the prescriptions that Fidel Castro proposed for resolving the foreign debt problem, to begin with, the idea that a 10 to 20 year grace period on principal and interest payments is unavoidable. He also recalled that back in 1978 Castro, speaking before the UN General Assembly as president of the Nonaligned Movement, had raised the issue of the foreign debt and its implications for the independent development of the countries of the "Third World" and for the maintenance of world peace. In addition, documents and studies that the Argentine Communist Party drew up at that time and later also denounced the fraudulent nature of the debt that the military dictatorship had accumulated and the policies of Martinez de Roz, neither of which did the country any good whatsoever.

As a result of the overseas commitments inherited from the dictatorship, Fava noted, Argentina has paid out \$22 billion in recent years in interest on an ever larger and more unaffordable debt, a large portion of which is also illegitimate. This amount is equivalent to what President John Kennedy proposed in 1961 under the Alliance for Progress, which was supposed to distribute \$20 billion in "aid" to Latin America

over several years. Now Latin America is paying out \$40 billion a year in interest, in other words, \$400 billion over 10 years.

In his talks in Havana Athos Fava voiced the view that without a moratorium of at least 10 years on principal and interest, Argentina would not be able to take care of essential matters such as boosting wages, reactivating production and earmarking budgetary funds for provinces and municipalities. He contended that the Argentine people must become aware of what is going on in this regard and that Alfonsin's administration must take a firm stand against the country's creditor banks and the IMF, thus keeping its campaign promises. If the government takes this position, it will have the backing of the overwhelming majority of the people and will set an example for the other countries of Latin America.

For his part, Fidel Castro maintained that the foreign debt is the major unifying issue for Latin America at the moment. He went on to say that the industrialized capitalist countries, which have benefited from the borrowing by Latin America and the entire "Third World," should now take responsibility for the debt with their own banks; to do so, they would only have to cut their military budgets by 10 or 12 percent.

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CSO: 3348/614

ARGENTINA

PCA CENTRAL COMMITTEE STUDIES EFFORTS TO INFLUENCE LABOR

Buenos Aires QUE PASA in Spanish 10 Apr 85 p 5

[Text] The Central Committee of the Communist Party of Argentina (PCA) deliberated last Thursday and Friday in the Federal Capital. The discussions focused on communist activity in the labor movement; other issues were also taken up, and several resolutions were passed, including the announcement of the party's 16th Congress. The labor movement issue was opened by a report that Luis Heller drafted, and after more than 40 speeches, Jorge Pereyra brought the fruitful exchange of ideas to a close.

This latest plenary session of the Central Committee represents a continuation of its discussions in August and December 1984. In August of last year a series of tasks and conditions had been proposed for making the PCA a real and effective vanguard of the working class. The December meeting approved the communist political proposal centering on the formation of a national and social liberation front in which the working class would be predominant. This most recent full session focused its attention on the struggle to alter the balance of power in the labor movement.

Struggles on the Rise

The report submitted by Luis Heller included a detailed examination of the worsening social and economic situation, relating it to the impositions of foreign banks and the IMF and to the administration's vacillations and concessions. He underscored the workers' mounting resistance to this course of action. In this regard he cited specific information on the spread of conflicts and the degree of worker involvement in them, mentioning the rallies that some regional branches of the CGT [General Confederation of Labor] and major government unions have at times held. "We must point out," he added, "that these have been isolated struggles and that the CGT turned its back on them. At the same time, we must ask ourselves what we have done to coordinate and guide them more clearly against the IMF and its policy."

Heller later rejected the view that the struggles are "destabilizing" and cautioned that "the defense of the constitutional regime must not become an end in itself, because in that case it would turn into a paralyzing slogan." With regard to the so-called "understanding" [concertacion], he said that it was essentially an attempt to keep the workers shouldering the burden of the crisis, an approach that the leadership of the CGT has supported by "bringing up the rear for the big employers association, the UIA [Argentine Industrial Union] and the landowners of the Rural Association, all behind the backs of the workers." He maintained that "not all CGT leaders agree with this approach, but the ones who have appeared in public so far do."

Delving more deeply into the debate going on in the CGT leadership, Heller indicated that "the factions headed by Triaca and Cavallieri are the ones that have so far imposed this conciliatory policy. In turn, factions from the 25 are vacillating and often take stands that run counter to the interests of the working class, which makes it easier for the leaders of the 62 to scheme and regain ground."

In the face of all this, the communists, together with other combative sectors of the labor movement, want the working class to head up the grassroots mobilization against imperialism and the oligarchy. "We feel," Heller said, "that a pact against the IMF would be an important step right now. In this regard, we are promoting a rally that worker forces have called for May Day to denounce the IMF and to demand real changes in economic policy."

The Working Class and the Front

At another point in his speech, Luis Heller emphasized that the issue before the country "is the problem of power, in other words, what class or classes and segments of society will direct the process of change," adding that only the working class can guide a true agenda for change.

Heller later described in detail the organizational status of the labor movement. He recalled that the repression from 1976 to 1983 was directed mainly against its basic structure (delegates and internal committees) and called attention to the period of recomposition up to the memorable protest of 30 March 1982, "which marked a turning point in the offensive of the working class. Nevertheless, these struggles, which forced the dictatorship to step down, were not enough to defeat it completely, as they failed to create a front representing the grassroots, democratic and anti-imperialist alternative." In this connection, he blamed the most corrupt faction of the bureaucratized union leadership, cautioning that if it is not outmaneuvered, further failure could be in the offing.

"Our banner will continue to be the defense of a single union, federation and CGT. We will push for this even more strongly than before, if that is possible," Heller explained, "but we must also underscore that this is not an end in itself, inasmuch as even with such a structure the leadership of appeasement diverted the movement away from its class, democratic, patriotic and anti-imperialist objectives."

Struggle for Unity

Heller associated the struggle for labor movement unity with a change in the internal balance of power. "What this means," he stated, "is that we have to expand the presence of communists and our allies in the leadership of unions, of federations and of the CGT itself." He emphasized the steps that the PC has taken in this direction, including the regionalization of the province of Buenos Aires and the creation of new zones in the Federal Capital, as well as harder overall work in the largest companies and the growth of union assets.

He felt, however, that although these measures have been important, they are not enough yet. They have enabled the PC to regain the ground it lost during the repression by the dictatorship, to move ahead and to have a degree of presence in the labor movement that should now enable communists to play a much broader role. "This is a major step, but it is not enough," he noted, "because we have not yet changed the balance of power." He talked about the positive and negative experiences that the Communist Party had in pursuing the proper tactic that it did during last year's union elections. The Communists promoted accords with other groups, especially the Peronists, against the most rightwing sectors. The outcome of the voting was progress towards pluralism and the ouster of certain corrupt leaders.

"We should bear in mind that a united labor movement is a stumbling block to the plans of the IMF and the banks, to the policy of recession and mounting inflation and to the plans for destabilization" and that attempts will be made to atomize the movement.

Heller talked later about the role of the groups in which Communists, who are present in most unions, play an active part.

He stated that they are instruments for unity with a classist content, open to the incorporation of the most advanced elements of Peronism and other groups, and at the same time the promoters of broader alliances such as the fronts. In this regard, he proposed the formation of a Coordinating Board of groups, as well as the establishment, in conjunction with other forces, of a "school of thought" [corriente de opinion] in the CGT to promote working methods in keeping with the current needs of the labor movement.

16th Congress

The following are some of the tasks that the Central Committee prescribed in connection with the labor movement:

- Stage assemblies in companies and unions to push the demand that the CGT head up the struggles, break its commitments to the UIA and Rural Association and call together the other grassroots organizations.
- Promote a May Day rally along with other forces to denounce the IMF and to demand real changes in economic policy.
- Bring the Latin American labor movement closer together to confront the imperialist banks and the IMF.
- Intensify the working class's demands for redress of grievances and heighten its awareness of its independent role as a class.
- Continue moving ahead with the PC's policy of concentration to change the balance of power in the labor movement.
- Pay special attention to the elections of delegates and internal committees, in a bid for a greater communist presence, an objective linked to party growth.
- Consolidate the classist groups in which communists are active, help set up a Coordinating Board for groups, and work to form a "school of thought" along with other sectors of the labor movement.
- Intensify all party activities and heighten the ideological struggle by making better use of the newspaper. Further the political and ideological training of thousands of communists with union responsibilities.

Objectives

Pursuant to a resolution passed by the Central Committee during its deliberations last weekend, the 16th National Congress of the Communist Party has been called for the second half of 1986. To this end, committees were formed to draft various documents that will be taken up by the Central Committee late this year and then debated by party members in all party organizations. Decided on in accordance with the organizational regulations and principles that govern PC activities, the call for the congress marks the beginning of intensive drafting and discussion, in which the entire organization will be engaged during the first half of next year.

The Central Committee passed other resolutions as well. Some of them are: an appeal to the party and to communist youth; the launching of the "Geronimo Arnedo Alvarez campaign" to bolster the activities of communists (recruiting new members, election of union delegates and greater circulation for the party newspaper), especially in large

companies; an appeal to all members to promote May Day celebrations; notice of a meeting among regional committee secretaries to prepare for the legislative elections on 3 November of this year; total support for the rally staged by human rights organizations demanding the prosecution and punishment of the members of the former military juntas; mandatory membership for all affiliates working for major enterprises in the respective basic organizations; a declaration denouncing the recent murders perpetrated by the Pinochet dictatorship in Chile.

8743

CSO: 3348/614

ARGENTINA

PCA BEGINS NATIONAL RADIO BROADCASTING PROGRAM

Buenos Aires QUE PASA in Spanish 10 Apr 85 p 13

[Text] "The following program is sponsored by the Communist Party. A People in My Voice, the voice of the communists, who are straight-talking." This was the simple lead-in, with a recording of the black singer Sosa playing in the background, to the Communist Party's new radio broadcast, to which it had given almost no advanced publicity. The program, which will air every Friday from 2005 to 2030 hours on LR5 Radio Excelsior, is the communists' first nationwide broadcast since their party was founded 67 years ago. The Communist Party also has a weekly program on a local station in the city of San Nicolas in Buenos Aires Province.

The host of "A People in My Voice" is Rosario journalist "Coco" Lopez, who is assisted by Gloria Lopresti and Diego Farji. Roberto Candal is in charge of production.

Appearing on the first program was Athos Fava, the secretary general of the Communist Party, who asserted that "this program can greatly further democratic coexistence among Argentines, which is so vital for promoting national liberation."

Since it was Good Friday, the program included the recorded words of Monsignor Arnulfo Romero, the bishop of San Salvador, who was murdered by a death squad as he was giving a sermon.

In short, "A People in My Voice" promises to be an interesting and original program.

8743

CSO: 3348/614

ARGENTINA

BAHIA BLANCA PORT PROJECT AUTHORIZED TO BEGIN UNDERTAKING

Buenos Aires MERCADO in Spanish 11 Apr 85 pp 31-38

[Article by Carlos Armero Sisto: "New Impetus for the Port of Bahia Blanca"]

[Text] The author of this report, Carlos Armero Sisto, a specialist on port problems, analyzes the prospects afforded by the new impetus which, according to official announcements, the project for the Bahia Blanca deep-water port is receiving. With an initial investment of \$35 million over 2 years, the completion of this project represents a response to the challenge of the giant bulk-carriers of up to 100,000 tons, which shorten distances, cut costs and are revolutionizing the transportation of grain over long distances.

Feverish activity has developed in most Argentine consulting firms; and it is not without reason, because after many months of work stoppage the opportunity has been offered to participate in a port development plan for Bahia Blanca which, in 2 years' time, will require input of about \$35 million, as the public works minister of the nation himself has confirmed.

The first sign of the implications, so to speak, was shown recently by the National Grain Board [JNG], when it issued a summons to all the consulting firms to prorate consortiums of native and international consulting companies for making the detail engineering study of the remodeling and possible expansion of the facilities at the Port of Ingeniero White in Bahia Blanca, Buenos Aires Province. The JNG added that the study would be financed partially by the International Bank of Reconstruction and Development [IBRD] in its loan 1521 AR.

Ports of Embarkation

The deadline for the submission of bids expired on 18 March, 5 days after the tremendous explosion which blew up a considerable portion of the Ingeniero White No 5 elevator. Now, the board has taken a break from considering them, because what is urgently needed is to partially rehabilitate the No 9 site so that it may continue to operate. Based on the conditions in the call for bids, the consulting firms hoping to win the bid award have been presented with a native counterpart, and one for information with foreign companies, so as thereby to demonstrate their capacity for executing the projects stipulated. Inasmuch as there is already a loan agreed upon by the World Bank, the contacts with

construction firms specializing in grain terminals have included virtually all of those with the most varied origins: United States, Canada, Soviet Union, Belgium, Germany, Spain, France, Australia, etc. Perhaps the greatest difficulty has been caused by finding a company which has more than sufficient experience in the building of port complexes for grains, but which is a shipper thereof, that is to say, a shipping complex. In general, most of the countries know a great deal about grain receiving ports and not so much about facilities used exclusively for exporting; although there are obviously some exceptions shown by countries that are typically sellers, such as the United States, Canada, Australia, etc.

The Deep Port

The notion of expanding Bahia Blanca from a port standpoint is a long-standing one. The so-called Persons report dates back to 1967, and it cited the need for executing a series of major projects to gear the maritime station to the port requirements of the Ingeniero White zone of influence; and following that report, the issue continued to be debated. The figures were updated, the calculations were completed and the Bahia Blanca project was reconsidered within the national port context. This is how the matter of building a deep port in deep waters came to the forefront and the Punta Medanos area, also in Buenos Aires Province, emerged as a chosen site. A commission was created, as well as a special group to study the topic; but the costs of carrying out such an "undertaking," as the Brazilians call it, exceeded the real potential of an Argentina involved in a deepseated economic crisis. The pharaonic project was abandoned, and the folders, models, designs, analyses and conclusions were shelved.

Meanwhile, since it was impossible to execute the large project, the question of Bahia Blanca with ostensibly more modest goals was still pending. An expert, the holder of a degree in economics, Dr Antonio Maria Tomasenia, took over the job of analyzing the principal studies relating to Bahia Blanca: he considered 13, and his conclusions coincided with the proposition in most of them: "The remodeling and modernization of Bahia Blanca is in the national interest; it has assumed a strategic nature; and it is a priority in the policies set forth by the Ministry of Public Works and the Executive Body; and, finally, it has foreign (World Bank) financing, at least partially."

Tomasenia also made some observations, noting that there was no definitive plan, and hence no indicator of combined profitability.

General Ports Administration Projects

The fact is that, now, the issue of Bahia Blanca has been brought up in a manner that has been described as "realistic." Basically, and at the moment of truth, which is the present, there are two studies present: that of the World Bank and the offer from the Soviet Union to build the entire complex based on the turn-key system.

Actually, the two projects have a great deal in common, and the idea would be to retrieve the best of each of them for undertaking the work.

Engineer Luis Adolfo Roura, head of the General Ports Administration, cited in advance some of the work to be accomplished: improvement of the shipping gallery to reach a capacity of 2,800 tons per hour; partial removal of the iron wharf the useful life of which expired many years ago; adaptation of the No 9 site to allow for operation with vessels of up to 45 feet in draft; installation of pile clusters so as to have waiting areas for grain ships; and the provision of a dock that would be operable in the Puerto Galvan area.

The Channel for 45 Feet

This development miniplan is a part of the large volume that it is desired to execute in Bahia Blanca. It is actually important to realize that one of the basic factors: namely, the dept of the access channel at 45 or 50 feet, is viable. An on-site study made by an Argentine company with cooperation from international experts has now indicated, without room for doubt, that "any minimal depth of the channel that would make it possible to sail with bulk cargo, completely loaded up to a maximum depth of 50 feet during high tide, is technically feasible and economically justified."

Hence, this means that there is no technical obstacle to having Bahia Blanca converted into the deep port that the country needs. With an exporting record of 6 million tons to date, Ingeniero White is an ideal site for completing shipments of the vessels sailing down along the Parana with a 30-foot limit to undertake their ocean voyage with semi-complete cargo, in some instances with a limit of 38.6 feet, which is what Bahia Blanca can accept right now.

If, concurrently with the aforementioned projects, the deepening of the channel is undertaken, during a first stage dredging it to reach 45 feet, vessels of about 70,000 tons, with complete cargo, could depart normally for their distant destinations. At present, the ceilings on cargo stand at 50,000-55,000 tons per ship, and the Panamax type bulk carriers leave the estuary normally.

The Bulk Carriers and Their Evolution

If one analyzes the structure of freightage and shipments on the international level, it is noted that the present trend is to use vessels of that class: the Panamax (they are ships of 70,000-80,000 tons which, as their name indicates, can sail through the Panama Canal with complete cargo). Considering the year 1984, and based on information from the INTERNATIONAL BULK JOURNAL, a specialized magazine with an worldwide reputation, we reach the conclusion that, out of a total of 163 vessels reported, the average cargo was 42,000 tons, registering maximum operations with 95,000 tons, and minimum ones with 13,000 tons.

When referring exclusively to bulk grain carriers, we could observe that, during recent years, there has been a tendency toward gigantism, but not so

spectacular as what occurred in the past, in the area of oil tankers, but a tendency that is constantly increasing. Although the structure of the current fleet is still based on 56 percent vessels of between 10,000 and 50,000 tons, one notes that those between 50,000 and 80,000 tons now account for 25 percent, those from 80,000 to 150,000 tons, 14 percent, and those over 150,000 tons, account for the remaining 5 percent.

As of the time that this article is being written, according to David E. Price, of Drewry Shipping Consultants, Ltd., of London, the largest bulk-carrier sailing is the Hitachi Venture, with 265,000 tons; but it has been observed that, during the next 5 years, it is quite likely that there will be ships of approximately 300,000 tons.

In one of its latest issues, INTERNATIONAL BULK JOURNAL published a detailed analysis of the status of the largest shipyards in the world, including those of Brazil. The conclusions reached by David Hargreaves, who studied the topic, is that there will be affirmation of a trend toward vessels of larger burden in the immediate future years. We are publishing below a list of the orders of bulk carrier construction, based on the aforementioned report:

Considering the year 1983, for Bahia Blanca, with 248 ships taken into account, one reaches the conclusion that the largest number of vessels, 93, occurred in the bracket of ships between 30,000 and 40,000 tons. However, at the same time, there were 61 bulk carriers operating; in other words, 24 percent, with tonnages of between 50,000 and 60,000 tons, which obviously did not weigh anchor completely, because the limit to date has been approximately 50,000-55,000 tons.

In the case of Argentina, it is virtually a necessity to make use of the giant bulk carriers, owing to the long distance to be covered in order to supply its purchasers. An analysis of the shipments made through Bahia Blanca in 1983 indicates that 37.2 percent were bound for the USSR, 28 percent for the Far East, 13.3 percent for Japan and 7.7 percent for the Mediterranean. The other destinations: South America accounted for only 1.4 percent; in other words, we are confronted with ocean voyages of over 8,000 miles.

All this indicates to us that it is increasingly essential for Argentina to have a deep-water port. Bahia Blanca is the most suitable solution, because it would be possible to attain 45 feet in a first phase, and to reach 50 subsequently.

The deepening of the entry channel and the operable sites to be constructed are both technically and economically feasible, as has been proven by the study made by the consulting firm contracted at the time by the National Directorate of Port and Navigable Route Construction. But, obviously, if the dredging is carried out, and it is necessary, projects must also be executed in the port, which will make it possible to make maximum use of that greater facility for the entry of giant ships which allow for cutting costs and making a considerable reduction in the freightage paid for ocean transportation.

The Next Decade

The prospects for an increase in Argentine grain production are good, because the use of fertilizers is being arranged, and hence there will be greater productivity per hectare. It is estimated that, by 1995, the production might amount to some 53 million tons; with an exportable balance of 40 million reckoned. And if the future prospects are expanded, by the year 2000 we shall be talking about 66 million tons of product, and 50 million tons of shipments abroad.

The country must be prepared to cope with that producing-exporting challenge, and every port must fulfill its potential to the maximum extent. In a preliminary account prepared in the transportation section of the Ministry of Public Works, entitled "Economic Evaluation of the Immediate Projects in the Port of Bahia Blanca," two hypotheses are cited: a maximum one, with exporting prospects of 11 million tons by 1990; and another conservative one, calling for only 9 million tons. In both instances, they are based on the assumption of shipments from the zone of direct influence of 6 million tons, and complementary cargo of 4 or 5 million tons originating in the river route (Parana ports). In our view, the maximum potential should be minimal; because if, at present, with a depth of 38.6 feet, 6 million tons have already been attained, it is quite possible that, with 45 feet, that partial total could be readily exceeded, especially if the land facilities: transport to dock, storage, and in port: docks, depths, waiting areas and increased shipping capacity, improve visibly, as is being predicted in the studies that have been made.

The recent history of the port of Bahia Blanca demonstrates that, since it is the deepest grain port active in the country, it has become a vital point for shipping complementation. The vessels coming from the Parana with their holds loaded about 50 percent arrive at Ingeniero White to receive 25,000-30,000 additional tons. That actually cuts the overall cost of the operation. For example, during 1983 in Bahia Blanca 47.5 percent of all the grain was shipped on vessels which arrived empty; but the remaining 52.5 percent was shipped on vessels which partially loaded their holds in less deep maritime stations. This point is important, because if we are discussing benefits, we must count the 5.9 million tons loaded directly, but also the 3.8 million additional tons coming from other ports which headed toward the southern port to complete their cargo.

The structure of the port grain exporting trade indicates that, at present, the river route monopolizes 58 percent of the exportable balance; Bahia Blanca, 30 percent; and Buenos Aires, approximately 12 percent. If those proportions were kept constant for the aforementioned years, and the production patterns cited were fulfilled, by 1995 and 2005 we would have river shipments of between 22 and 29 million tons, with 11-15 million tons in Bahia Blanca and 6 million tons in Buenos Aires. Nevertheless, when the deepening projects are completed in Bahia Blanca, it is most logical to assume that exporters will prefer the deepest port for operations, both with empty vessels and to complement cargos; something that will naturally mean a larger volume of operations.

Investment of \$35 Million

The immediate projects plan proposed for Bahia Blanca, which the public works minister, Roque Carranza, has mentioned in statements to the press recently, is not the in-depth project outlined at the time by the World Bank or the Soviet Union, but rather a short-term response to a current grain trade which already exceeds the operational capacity and which promises in the very near future to exceed it totally, if immediate steps are not taken to execute the planned work. Fortunately, it would appear that the latter is in progress, and the minister claims that, within a period of only 2 years, the spending of \$35 million on the development of the Bahia port has been proposed.

It is interesting to note that the planned projects will not curtail the overall, definitive, expansion plan called for in Bahia Blanca. In its turn-key project, the USSR proposed executing the projects with Argentine firms, and recovering its investment through commercial exchange. We must bear in mind that the Russians are our most important clients in the grain category, and that the trade balance is overwhelmingly in Argentina's favor; hence a project of this type would tend to reduce that imbalance, and might ensure long-term purchases. The operational part of the Russian plan was devised by Argentine experts. By way of recollection, we might mention, for example, engineers Raul Pena and Guillermo Olivera, in the grain area, and Juan Carlos Rocca in that of port facilities. They carried out some initiatives which really deserve to be considered; for example, on the site of the iron wharf, the construction of four operational sites for Panamax vessels of 70,000-80,000 tons, to reach a total shipping capacity of 10,000 tons per hour; and improvement of the present No 9 site, along with waiting areas called for in all the development plans.

The World Bank plan does not mention so many operable sites, and has been devised with fewer; but everyone, Americans, Russians and Argentines, is fully agreed on deepening the entry channel, improving the general infrastructure, increasing the number of sites and, in brief, within a short time making it possible for Bahia Blanca to at least double its export volumes. That is the goal, here and now.

An interesting possibility cited specifically in the aforementioned study by the transportation section is the use in Bahia Blanca of floating transfer facilities, "as a means of achieving savings of investment in dredging, in any event allowing for the egress of ships with a draft of up to 45 feet." These benefits would be accrued if the complementation were carried out in the anchorage of the No 11 buoy, thus avoiding the dredging between that location and the port of White; or in some area close to the beginning of the channel (Lighthouse Buoy), in which case the savings on dredging to 45 feet would be total. For the operations, a ship of 80,000 gross tons capacity was considered as a typical station, "with facilities for transfer that would load approximately 60,000 tons at the No 9 site dredged at 40 feet." The study concludes: "In this way, it would be possible for the cargo of every ship to be completed by two vessels that would arrive partially loaded from the river ports, reducing the congestion in the port."

In a different section, an analysis is made of the operating conditions and investment costs, drawing the conclusion that the transfer station is an option worthy of consideration.

Efficient Port System

The summons from the National Grain Board in the area of the Secretariat of Agriculture and Livestock, and the plans of the Ministry of Public Works, through the General Ports Administration and the National Directorate of Port and Navigable Route Construction, all converge to make possible within the shortest period of time the essential project which Bahia Blanca requires and which the entire country is demanding; because if the overall grain production rises, as is to be expected, we must have a more modern, more suitable port system, more in keeping with the impending challenge. We have the areas of Rosario, Villa Constitucion, San Lorenzo, San Pedro, Santa Fe, etc., operating at "full" capacity; although in the first port the 80,000 ton elevator, completed for the National Grain Board, with its own dock, is still awaiting its equipment. Then there is Buenos Aires which, with improvements, could raise its shipping capacity for total complementation with the Atlantic system; Quequen, where there are projects under way to make an increment from 2 to 4 million tons; and Bahia Blanca which, with 6 million, could soon reach 11 million or more. In this way, Argentina will actually be prepared for what is to come....

Principal Studies Made of the Port of Bahia Blanca

Name of the Study	Organization	Year
The ports of Bahia Blanca	SEOP*-DNCP Y VN** Parsons, Brinckerhoff, Quade Douglas, Inc	1967
The ports of Bahia Blanca	SEOP-DNCP Y VN, JICEFA	1969
Bases for a national port policy. Bahia Blanca development plan	Municipality of Bahia Blanca	1971
Feasibility study for a national grain storage plan	Ministry of Defense, DIGID	1977
Study of the Bahia Blanca and Parana River port terminals	SEIM*** UNDP/IBRD Dravo Van Houton & Assocs.	1979

* Secretariat of Public Works

** National Directorate of Port and Navigable Route Construction

*** Secretariat of Maritime Interests

Name of the Study	Organization	Year
Technical-economic and financial feasibility study of an overseas port complex in deep waters	COPUAP	1968/84
Green Cover Appraisal Bahia Blanca Port Terminal Project	World Bank	1980
Dredging study of the access channel to the port of Bahia Blanca (phases I and II)	SEIM DENC P Y VN Nedeco Arconsult	1981/84
Studies for the formulation of a national transportation plan	SETOP* DNPT-World Bank	1982
Feasibility study for the port of Escobar	SEIM AGP-Consultants	1983
National agricultural-livestock plan	SEAG**	1984
Economic evaluation of the independent MO and SP construction of the access channel to the port of Bahia Blanca (Chico Estuary: committee phases I and II)	Bahia Blanca technical	In preparation

Source: "Yearbook of the Port of Buenos Aires", fifth edition/1985

Fire and Reflection

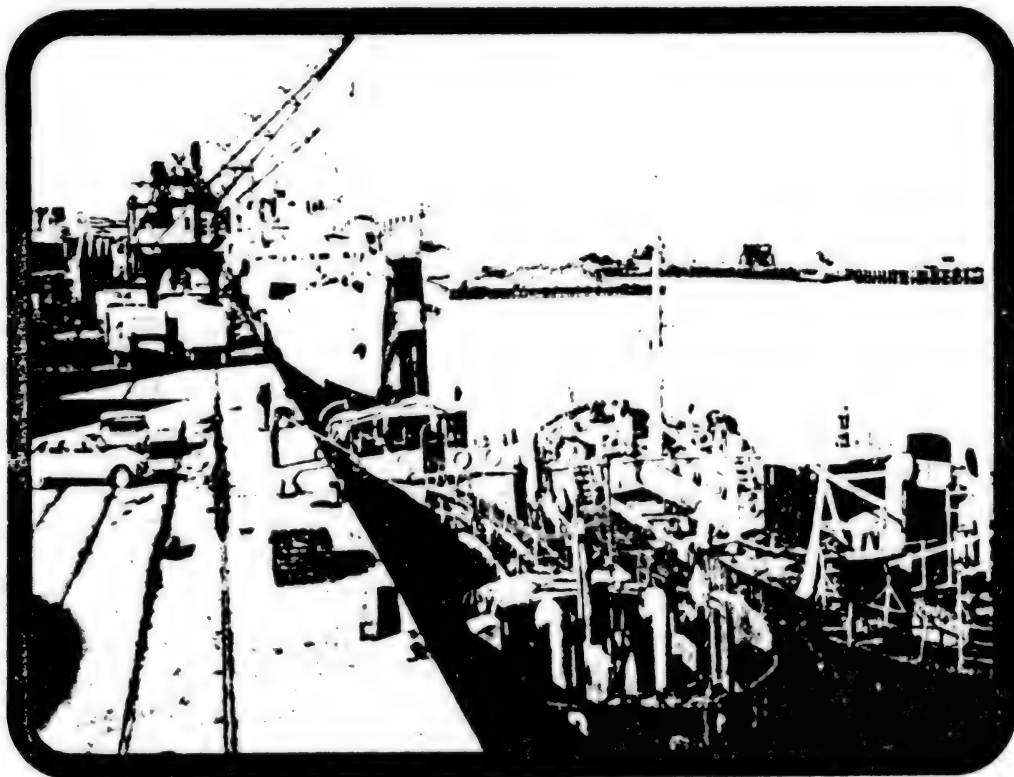
On Wednesday, 13 February, a violent explosion destroyed the No 5 elevator at Ingeniero White and put out of commission the most operational dock in Argentina, insofar as grain shipping is concerned. This major accident, which left a tragic toll of deaths and injuries, unprecedented in its dimensions, has also had a strongly negative impact on the country, which suddenly finds its grain exporting capacity considerably reduced, an activity nearly 100 percent of which is carried out on ocean routes.

This is the second explosion of this type suffered by the elevator and the corresponding shipping gallery; for which reason it is estimated that there are construction flaws and, basically, faults in the security and ventilation systems. The government is engaged in an emergency operation to prevent the accident from blocking shipments, and there are immediate plans of an operational and reconstructive nature. Amid the disaster, the authorities have confirmed the decision to execute the works announced for Bahia Blanca.

* Secretariat of Transportation and Public Works

** Secretariat of Agriculture

The consideration of the bids submitted by the consulting firms has been postponed, but there is an intention of giving a rapid response to the challenge of rehabilitating and increasing the operating capacity of the port of Bahia Blanca. At present, it is the second-ranking in size in Argentina insofar as grain trade is concerned, and the deepest one active in this type of shipping; called upon to achieve a leading role in the country's future grain exporting.

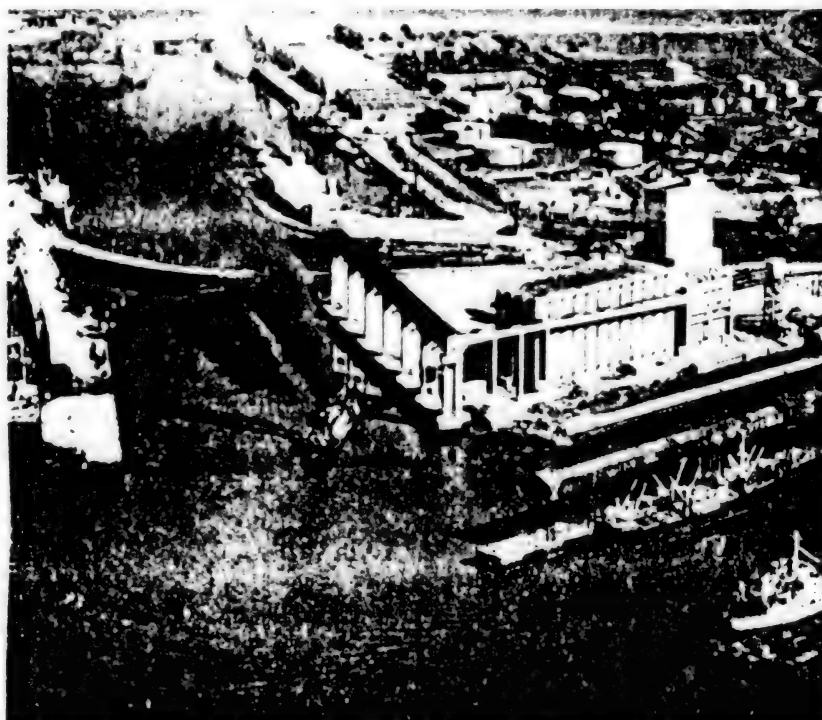




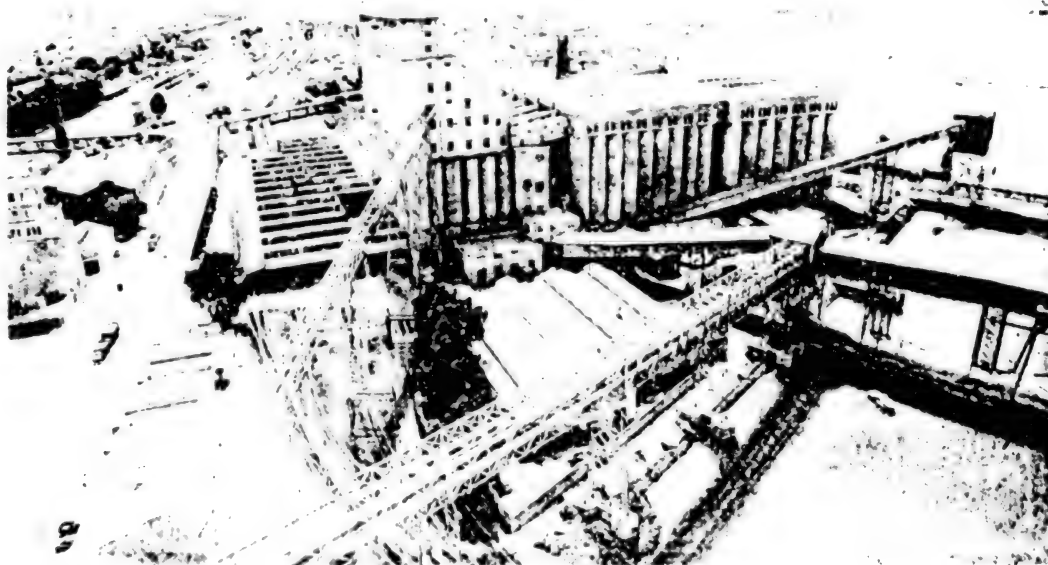
The expansion work will require \$35 million.



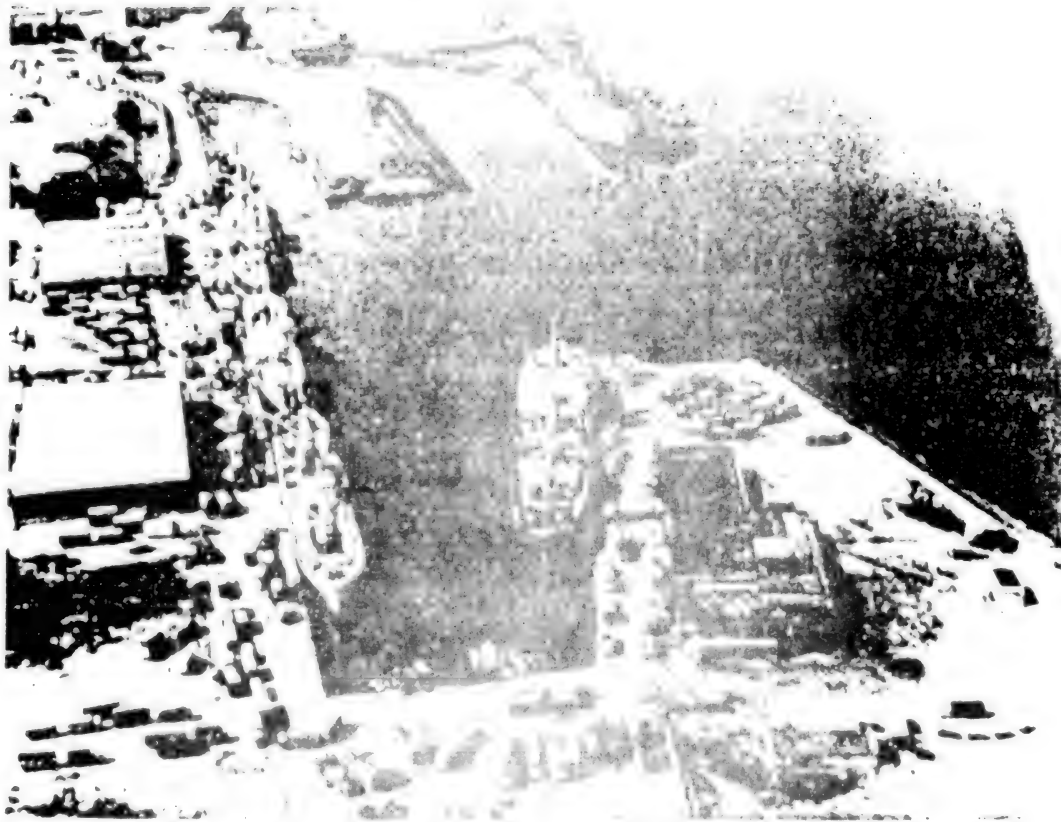
The 45 or 50 foot depth of the access channel is viable and solves an old problem.



In 1990, it will be possible to export 11 million tons of grain.



The World Bank and the Soviet Union are competing to build the entire complex.



There is no [redacted] [redacted] loading port.

2909

CSO: [redacted]

23 May 1985

FINANCE, BUDGET COMMITTEE DEBATES DEFENSE BUDGET

Buenos Aires CLARIN in Spanish 10 Apr 85 p 20

[Text] Defense Secretary Horacio Jaunarena will appear today at 10:30 hours before a closed-door session of the Budget and Finance Committee of the Chamber of Deputies to discuss the two remaining confidential budgets: the office of president and defense.

Jaunarena will be accompanied by the undersecretary of production for defense, Raul Tomas, and by the undersecretary of budget programming and control, Gerardo Carilulo. The issue of the overall defense budget will probably be raised once again at the session.

Defense spending accounted for 10.5 percent of the total budget in 1983, dropping to 9.4 percent in 1984 and to 7.7 percent in the projected 1985 budget.

The Radical Party contends that this fiscal year's military budget is in line with the average during the 1973-75 constitutional government, that is to say, 3 percent of the gross domestic product and 13.5 percent of total spending.

The Peronist opposition challenges the Radical stand with two different approaches. On the one hand, legislators like Mario Gurioli stress the importance of keeping defense spending on an even keel. On the other, the deputy chairman of the committee, Diego Guelar, has repeatedly commented that the Armed Forces came out ahead in the disbursement of the 1984 budget.

Jaroslavsky

The leader of the Radical Party bloc, Cesar Jaroslavsky, repeated his charges about the manipulation of budget funds by the provinces governed by the Peronists.

"Negligence in administering employment in the Peronist provinces is one of the causes of the problems and difficulties that these provinces later pass on as the responsibility of the national government," he stated. The Radical lawmaker maintained that he could prove his assertions "with numbers, at any time" and he accused the Peronist governments of delaying the remittance of funds to municipalities run by the Radical Party.

ARGENTINA

DOCUMENT REPORTEDLY AUTHORED BY JUNIOR ARMY OFFICERS DISCLOSED

Bahia Blanca LA NUEVA PROVINCIA in Spanish 11 Apr 85 pp 1, 4

[Text] Of the hundreds of pamphlets circulating inside and outside the Armed Forces at the moment, several are important enough to be regarded as true working documents. The one we are transcribing below almost complete is a lengthy work by a group of young army officers. Its importance stems not just from the ranks that drafted it (lieutenant colonel on down) but also from what it says about the crisis in military institutions. In contrast to what one might suppose, it levels most of its criticism not at the government but, significantly, at the successive military commands, from the days of the National Reorganization Process onward. It reads as follows:

The Argentine Army shows brain death, with very few signs of organic life.

The prognosis is that its clinical death could take place relatively soon, whether from a defeat in the current psychological and political confrontation (the offensive by sectors of the national government, subversive and solidarity organizations, the Communist Party and other Marxist-Leninist groups, infiltrators, etc) or owing to its operational and morale-related inability to meet any future military test (domestic or foreign).

In any event, whatever the catalyst, the situation in which the Armed Forces and especially the army find themselves is unprecedented in Argentine history and represents a prerevolutionary scenario, in spite of what is being said by eternal optimists, whose Marxist-Leninist leanings are difficult to overlook.

There is nothing intelligent whatsoever about a purely vegetative military bureaucracy; by its very nature, such a bureaucracy fails to represent the essence of military power. It is a "paper tiger" with zero deterrent or destructive capability.

As a result of their moral, professional and intellectual training, small groups of junior and senior officers, most of them combatants against Marxist-Leninist subversion and in the South Atlantic war

(many ranks are represented, but the numbers are in inverse proportion to rank), have become veritable anticorps because they are not resigning themselves to the current state of affairs and are resisting, with limited effectiveness, the attempts at destruction from both inside and outside the military.

There is widespread, albeit passive, resistance to the aggressions from certain administration sectors, from the ruling party and from other political and social groups.

Conclusion: Officially speaking, the Argentine Army has been reduced to a "purely vegetative existence."

The spirit of the military, in the sense of "combat morale" or "combat spirit," has been broken.

The following are the proximate causes of this demoralization:

- 1) The political failure of the National Reorganization Process (PRN) and its failure against Marxist-Leninist subversion.
- 2) The defeat in the South Atlantic.
- 3) The exploitation and persecution of the army by the enemy with a view towards its annihilation, especially since 10 December 1983.
- 4) The inability of those in command (executive and advisory functions) to take, both now and in the past, the preventive, corrective, defensive or resistance measures needed to cope with the aftermath of repeated defeats (since 24 March 1976).

There is little or no professional activity, largely because of the idleness stemming from inadequate budgets, which threaten to heighten indiscipline and the degree of "de-professionalization."

In many cases the trying economic situation prompts many officers to seek another source of income. In others, we see a suicidal "careerism" (when officers place their own promotions, "making it" or "getting power" above all other military or national considerations), as commanders and officers, in spite of the current state of affairs, persist in a false, empty competition whose only fruit is the negative conditioning of the personality, as discussed later on.

In the wake of the recent "purge" we have seen the sorry spectacle of many superior officers engaged in a thinly veiled battle for the best posts or jockeying for the positions most conducive to their personal or group ambitions, more often than not, credulously believing that a bright future from which they can benefit awaits the country.

There is mounting unrest and discontent over the "aggression" directed at the army and over the "passivity" of the superior officers. The following factors are heightening the annoyance and dashing hopes for coming up with rational answers:

1) The absence of an institutional policy or strategy designed to protect officers from the vendetta of which they are targets because of the war against Marxist-Leninist subversion. Certain senior officers initially gave in and "acquiesced in having others pay the price" but they later responded to direct pressure in specific cases.

2) The silence, omissions or flimsy explanations in the face of the political and psychological attacks on the army, whether through the government-run and private mass media or through the public statements of legislators, administration officials and politicians, many of them from the ruling party.

3) The feeling of powerlessness to defend the army in the court of public opinion owing to legal and disciplinary restrictions.

4) The steady growth of the antimilitary, pacifist psychological campaign, in spite of the recent denial that the chief of staff made.

The army's finances and logistics are in chaos. This is not due to the current budget crunch. It is simply the result of the organizational and operational anarchy that has prevailed in the branch for many, many years.

Equipment and funds are managed at the whim of the commander in charge, "ignoring the criterion of rationality and economy." Consequently, cronyism takes precedence over what is most useful for the army. Improvisation has replaced foresightedness or a sense of priorities.

Few, if any, financial decisions are made with the concept of "cost" in mind. If to this we add nonexistent or disorderly budgetary provision, then the only possible working method is misappropriation, which practice has made morally acceptable.

The vice of misappropriation is a substitute for the oxygen that an organism or unit needs to survive and, thus, to fulfill national defense missions. We can all see the negative repercussions that this has had.

If the army had to draft a balance sheet today, it would to a great extent not know what it has, where it has it, what it owes, to whom it owes it, what is going to be spending money on and for what reason.

Sixteen months have been irresponsibly wasted. Very little or nothing has been done in a practical sense to dampen the crisis prompted by the drastic budget cuts or to rectify the mistakes of the South Atlantic war.

From an operational standpoint, the army has not gotten past 2 April 1982. No changes have been made. On the contrary, everything has gotten worse.

The Radical government does not deserve all the blame for this. Much of the blame belongs to the army commanders (past and present) who have corrected nothing, whether because of their lack of foresight, their inability to devise solutions and/or their weakness of character in confronting the situation. Blame also extends, for the same reason, to those in the Army General Staff or in command of large units who were supposed to advise their superior commands.

The Executive Branch (the president and his defense minister) is morally responsible for the full exercise of the function of commander in chief. In this regard, it has been and still is unable to conceal or disguise its "aggressive neglect," the clear aim of which is "to destroy the Argentine Army." The Defense Ministry has thus become a fine example of a disarmament ministry.

The Pianta reform has been an "affront" to common sense. In fact, it is a perfect example of what the military bureaucracy is capable of producing. The recent changes have changed nothing. Combat troops and units are still the only variable for adjustment, even though their disappearance entails an unnoticed change in the identity of the Argentine Army. No one seems to have realized what is happening. To expect otherwise would have gone against the nature of things.

With regard to the expansion of Marxist-Leninist subversion in the region, Argentina is understandably acquiring the image of a gigantic "sanctuary" from which various pro-Soviet command posts are planning and directing the creation of new Nicaraguas or new Cubas, behind the mythical image of a democratic, socialist, essentially Latin Americanist government that makes "nonintervention" its *raison d'etre*.

Argentina is disintegrating psychologically, politically and socially, in the sense that: there is an atomization of political forces, which are often intransigent and mutually antagonistic; there is no real social cohesion or national community spirit; there is a crisis in the collective consciousness of historical unity and solidarity; the ties between the provinces and the federal government are weakening; there is constant collective frustration; there is a grave economic crisis, and moral and cultural values and, thus, social controls are being constantly undermined.

In this regard, we can see that the national government is currently the main force behind and/or the main reinforcement of the polarization of society, especially through the manipulation of the mass media under its direct control (probably because of "too much innocent" use of the "dialectic" to exploit contradictions).

Interbranch Background: As a result of the National Reorganization Process and the war in the South Atlantic, the Armed Forces are deeply divided by rivalries, self-interests and ambitions rather than by major differences between their intermediate and subordinate commands.

With the advent of the new constitutional government, the split has worsened instead of mending. In this regard, the Radical government has been a total failure.

Though we will not judge the intentions of those responsible, events have shown that the current civilian authorities have intensified rivalries so as to take advantage of them for their own survival, crassly appointing committee after committee and evincing their total ignorance of what is happening in our Armed Forces.

But the top brass are also to blame in this "back and forth game of precarious balances and interest groups." The fact is that they have irresponsibly shown little willingness to adapt sensibly to the new political and institutional conditions and to the prospects that they offer. Lacking "high-mindedness," they have failed to make the necessary changes so that the Armed Forces could work together, even if it were solely for practical reasons in the face of the uncertainty prompted by the political change.

On the contrary, each branch has continued to indulge in its vices, seeking to maintain and/or acquire political power or influence at the expense of the other two, seeking the limelight and predominance and protecting its interests and privileges.

We must regretfully mention, as part of this spiritually impoverished picture, that the top echelon of the Argentine Air Force has been blatantly guilty of this suicidal approach. Unscrupulously exploiting the combat death of young commissioned and noncommissioned officers during the war in the South Atlantic, they have sought to set themselves up as the decisive, the determining, even the sole factor in Argentine military power. Some of its high-ranking officers have reached such extremes of arrogance and ignorance that they have even slandered the army, not only in connection with its performance in the Malvinas but also by describing it as an "army of occupation" (this is, we note distressingly, also the view of illustrious Senator Berhongaray), an allusion to the war against Marxist-Leninist subversion, from which they take great pains to exclude themselves.

Groundwork and Proposals for Rebuilding or Revamping the Argentine Army's Combat Power

Ethical and professional considerations: The crisis in the Argentine Army is a crisis of morale and identity among its permanent officers, in inverse relationship to their rank.

1) Enforce and encourage enforcement of regulations concerning initiative, creativity, independence of judgment, etc. It is the duty of every military rank to foster and develop such qualities.

2) Strengthen military spirit. Curb, hamper, prevent and punish as unpatriotic any attempt to weaken or undermine traditional military virtues and the military way of life with the false argument that a "civilian spirit" must be instilled in the military or that the "army must be democratized."

3) Mitigate in every way possible the impact of the trying economic situation among officers and of the drastic budget cuts.

Any attempt to divert officers, especially the youngest ones, from a military career must be scotched.

It is the army that must channel and foster legitimate intellectual concerns in accordance with its needs and capabilities. Training must not become a pretext for climbing the ladder as an end in itself, as if the military were merely a bureaucratic government "career" in which promotion decisions are based on merits and demerits.

Officer promotions must be based above all on candidates' qualifications, moral integrity, capacity for command and character.

Second Phase (as of 1 January 1986)

Once the survival of its current combat power is assured, the army must be revamped.

Every unit, organization and command must have an operationally justifiable reason to exist. Very few components will survive on the basis of institutional requirements alone.

Combat troops and units must no longer be the only item for which funds are cut for the benefit of the military bureaucracy.

"Self-amputation" will be conducted on those components or organizations that have nothing to do with the Argentine Army's *raison d'etre*. The alleged costs or political consequences of eliminating these types of military organizations are irrelevant to the higher needs of national defense and to the nature of the military.

8743

CSO: 3348/616

ARGENTINA

DEFENSE MINISTRY CONSIDERING MILITARY PAY RAISE

Buenos Aires LA VOZ in Spanish 16 Apr 85 p 4

[Text] The Defense Ministry is looking into the possibility of boosting military pay in real terms by 15 percent above the guideline approved by the administration, it was learned today from reliable sources, which added that a decision has yet to be made.

Defense Ministry officials are also reportedly determined to have military paychecks delivered on time, as was the case in March.

Another issue that the team headed by Minister Raul Borrás is constantly looking into is the military budget, given the administration's severe cutbacks in overall spending.

It was learned in this regard that senior navy officers held a meeting yesterday, chaired by Vice Adm Ramon Arosa, the branch's chief of staff, at which they reportedly decided to submit a formal request to the Defense Ministry for additional funds "in light of the critical budgetary situation in which the navy finds itself."

Although there have been no reports that the two other branches are considering similar requests, it is known that the army has estimated that its available funds for the year will cover only 20 percent of its necessary expenditures.

It was also learned from a Defense Ministry report yesterday that the foreign debt of the enterprises in the sector, the Armed Forces and the National Directorate of the Antarctic, stood at \$3.801 billion as of last 31 December.

The Defense Ministry report noted that a rescheduling of the sector's foreign debt would be an adjustment variable in the military's next few budgets. If we assume that the total debt can be rescheduled, as agreed on with the Club of Paris, then the payments would be \$950 million in 1986, \$810 million in 1987 and \$710 million in 1988, amounts that represent almost 1 percent of the gross domestic product and that would be difficult to provide for in current budgets.

The report also contends that if the revamping of the military planned for this year is not carried out, this year's budget will mean that "training will suffer and there will not be enough money for equipment."

"The budget appropriations are barely enough to provide for minimal operations for a limited span of time," it added, cautioning that "if this level of spending were to continue without a change in structure, conditions would continue to worsen, causing increasingly serious damage to defense capabilities."

It then noted that the projected 1985 military budget is equivalent to 3 percent of the gross domestic product, compared to 2.7 percent for last year, but still below the figures since 1980, which ranged from 5.2 to 5.6 percent of the GDP.

Allocations for the Armed Forces specifically dropped from 2.5 percent of the GDP in 1970 to 2.1 percent in 1972, rising again to 3 percent in 1975 and 4.7 percent in 1981, only to fall back to 2.1 percent in 1984 and 2.4 percent this year.

8743

CSO: 3348/616

BARBADOS

U.S. WAIVER OF SUGAR LEVY CALLED 'BLESSING TO NATION'

Bridgetown DAILY NATION in English 3 Apr 85 p 1

[Text]

BARBADOS WILL SAVE ALMOST \$2 million on the sale of its sugar to the United States this year.

This has come about through the waiving by the United States Department of Agriculture of special levy on sugar exported to that country on the advice of a special task force set up by the Ronald Reagan administration.

Chief executive of the Barbados Sugar Industry Limited (BSIL), Errie Deane, described this move by the United States as a blessing to the industry.

Confirming the good news from his Warrens office, yesterday, Mr. Deane said the waiving of the levy, which last stood at US2.7185 cents per pound of sugar, would save Barbados about BDS\$119 for every tonne of sugar it sold in the United States.

"With the quota which we have to the United States, 16 130 tonnes, it means that we will save \$1.9 million on the 1984-85 quota," Mr. Deane said.

The BSIL official pointed out that for some time now, there had been some pressure on the United States administration to eliminate the levy, and the local industry had been waiting to see what decision would be made before it began shipping sugar there.

"If we had shipped last week, it would have meant that we would not have benefited," he explained.

In its February edition, the Organisation of American States (OAS) monthly publication, *Trade News*, reported that sugar importers in the United States were urging the administration to eliminate the import fee system because it was "futile", when applied parallel to the sugar import quota programme.

Trade News stated that one importer had noted that the fee was designed to make imported sugar more costly and therefore restrict that quantity imported but the "philosophy did not apply to the quota programme given the disparity between the quota prices and the world sugar market prices. A White House inter-agency sugar task force had been considering the advisability of eliminating the fee.

The OAS publication also reported that the United States administration had reduced the import duty on raw sugar which would be of significant benefit to a number of sugar producing countries.

Among those countries are Brazil, Canada, Australia and South Africa. Brazil stands to gain \$11-12 million through this measure; since unlike the Caribbean countries, it is not eligible for duty free treatment under the Caribbean Basin Initiative or the Generalised System of Preferences, and has been paying full duty on its sugar exports.

However, the BSIL official pointed out that Barbados would not benefit from this reduction of import duty fee, reduced from US2.8125 cents to US0.625 cents; since the country does not pay duty on the quota it sends to the United States.

"Once the market price remains, the change of duty would not affect us except to place the quota countries in a more competitive position with the other exporters," he said.

23 May 1985

BARBADOS

TRADE WITH NON-ENGLISH-SPEAKING NEIGHBORS IMPROVES

Bridgetown BARBADOS ADVOCATE in English 30 Mar 85 p 2

[Text]

Barbados has reported an improvement in its trade with five non English-speaking neighbours - Suriname, Venezuela, Puerto Rico, Curacao and Martinique.

Figures released by the Barbados Statistical Service show an overall drop in Barbados' total imports from the Dutch, French and Spanish-speaking countries and a hike in total exports to the group.

Imports fell from \$57.9 million in 1983 to \$47.1 million last year, and exports rose from \$182.0 million to \$204.7 million.

Barbados' biggest dollar hike in exports was to Puerto Rico \$22.2 million - and the biggest single increase in imports was from Curacao - \$8.2 million.

Barbados' imports from Suriname were down from \$480,351 to \$192,065 and exports to the Dutch speaking country from \$2.6 million to \$1.5 million.

Imports from Puerto Rico were slightly down, from \$3.2 million to \$3.1 million and exports to the Spanish-speaking country climbed from \$177.0 million to \$199.2 million.

Imports from Curacao fell sharply from \$12.5 million to \$4.3 million, but Barbados' exports to the Dutch-speaking country were up from \$1.6 million to \$3.4 million.

Imports from Venezuela were lightly down from \$41.3 million to \$39.1 million and exports to Venezuela were up from \$67,956 to \$98,531.

Imports from French-speaking Martinique fell from \$352,410 to \$258,515 and Barbados' exports to the Caribbean island were also down, from \$651,814 to \$361,904.

CHILE

MINISTER OF PUBLIC WORKS ANALYZES EARTHQUAKE DAMAGE

Santiago ERCILLA in Spanish 3 Apr 85 pp 9-10

[Interview with Brig Gen Bruno Siebert, minister of public works; date and place not specified]

[Text] Bridges destroyed and damaged, pavement destroyed, the two main ports of the country virtually out of commission and the sanitation and potable water networks partially disrupted were some of the main problems cited by the MOP [Ministry of Public Works] a few hours after the earthquake last March.

Almost a month after that dramatic Sunday, the minister of public works, Brig Gen Bruno Siebert, received ERCILLA at his office and summarized the emergency work done and how the reconstruction tasks will be undertaken.

[Question] What lessons has the MOP learned from this new earthquake?

[Answer] We formed a committee. I have ordered it to collect all the experiences in the different subsectors of the MOP within 90 days. Each one has different degrees of damage with different causes.

These earthquakes must teach us a lesson so we do not repeat those mistakes that we detect. We hope this study really detects mistakes.

[Question] Are there some that have already been detected that you could point out?

[Answer] So far there is no special report. There are some curious facts. There are phenomena that the specialized engineers themselves are perplexed by at times because the damage that occurred was not foreseen. I can cite the case of a bridge, Lihueimo, on the road to Pichilemu where a pier began to sink a week after the earthquake. This was a phenomenon that the engineers call "sand liquefaction." A similar thing happened to the Lo Gallardo bridge that permits access to Santo Domingo.

[Question] What is happening with the Lo Gallardo bridge? Every time there is an earthquake, it suffers severe damage.

[Answer] There are foundation and infrastructure problems there. The different zones of the country are affected differently by earthquakes....

In the construction of public works different coefficients are applied based on the zone. Apparently the coefficients in that zone were not applied correctly.

[Question] Is that also valid for what happened in the ports?

[Answer] Yes. At this time we have innumerable Japanese, British and American technicians in the ports of San Antonio and Valparaiso. They, especially the Japanese, are going to give us interesting observations. (See chart.)

[Question] What is the real situation of the main ports in the central zone, shipping ports for major volumes of exports?

[Answer] At this time they are meeting the cargo needs, both for imports and exports. A committee was formed headed by the minister of transportation. It includes the MOP, Ministry of Economy, ODEPLAN [National Planning Office] and EMPORCHI [Port Enterprise of Chile]. It will study the situation and indicate what should be done, how to do it, when we are going to do it, with what money, etc.

[Question] What criterion was used for the reallocation of funds?

[Answer] We basically want to replace the potable water supply for the people in this emergency. Secondly, we want to try to normalize our contribution to economic activity through emergency measures. This is basically the role that corresponds to public works--that is, the economic and social infrastructure that permits national development through ports, airports and roads.

[Question] Why are only 2.7 billion pesos allocated this year for repair work?

[Answer] That is the amount that we can rationally invest to repair damages. We have included damage repairs in 1986 also. In 1986 we will have finished everything except the ports. There are other authorities responsible for this.

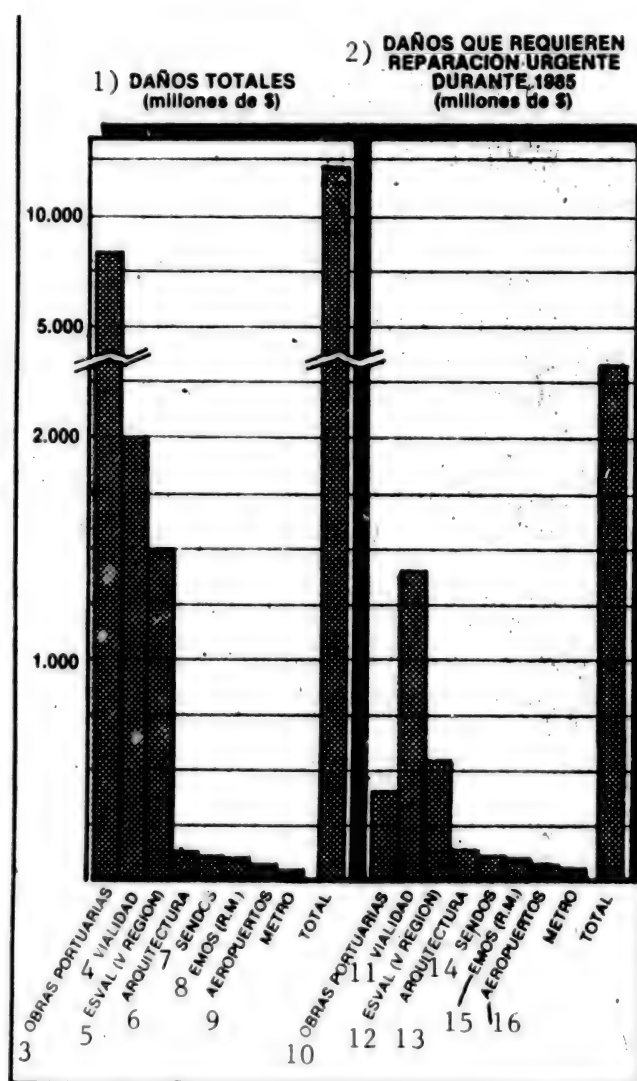
[Question] When does the work begin?

[Answer] I would say that between March and April we will sign a total of 60 or 70 contracts. These will replace practically everything. Some projects will take longer.

[Question] Isn't there the danger that necessary projects will be delayed, especially in zones not affected by the earthquake?

[Answer] That is a concern that many mayors have related to me. They have told me literally: "Don't transfer the earthquake to other regions." That situation has been taken into account. There is a delay in projects--4 months in some cases, 6 or 8 months in others--but none has been eliminated. The regions can be sure of that. As to programming of these large projects, I don't think the regions will suffer much because we have seen what projects we can delay. They are not going to mean a considerable delay in the region.

Impact of Earthquake on Public Works



Key:

- | | |
|---|------------------------|
| 1. Total damage (millions of pesos) | 8. EMOS (RM) |
| 2. Damage that requires emergency repairs in 1985 (millions of pesos) | 9. Airports |
| 3. Port work | 10. Port work |
| 4. Roads | 11. Roads |
| 5. ESVAL (5th region) | 12. ESVAL (5th region) |
| 6. Architecture | 13. Architecture |
| 7. SENDOS | 14. SENDOS |
| | 15. EMOS (RM) |
| | 16. Airports |

[Question] Will some ongoing projects be suspended?

[Answer] No, they will all continue.

[Question] Are you satisfied with the process of making credits from multilateral sources flexible?

[Answer] Yes. We have current credits from the IDB and the BM [World Bank]. On 4 March, Telexes began to arrive offering us their support to make those credits already granted flexible. The BM authorized us wider use of about \$18 million and the IDB permitted us to use almost \$10 million to work on the sanitation problems in the fifth region.

Those are large categories. They also authorized us to increase the number of intermediate cities that were being served by a program of sanitation projects. We have increased the total of 40 cities to more than 70 because we included all those towns where sanitation projects, potable water reservoirs or distribution networks were damaged by the earthquake. That is help at every level and we thank these organizations for it.

[Question] Will this reconstruction plan mean new jobs?

[Answer] We have about 30,000 people working directly on our projects. That is the approximate number of jobs the ministry is directly generating. Indirectly it is said to be 1.5 times this amount. Now, to do these 60 reconstruction projects, we will stop doing other things throughout Chile. Therefore, I feel that the 30,000 figure will not change. It might increase in the affected area which is good because the higher unemployment rates are precisely in the metropolitan region and the fifth region. There is a lot of repair work which requires more manpower than those large projects stopped which mainly use big machinery. I think there will be an increase but not a significant one.

[Question] Is the repair work provisional or final?

[Answer] There are two types. In the first place, all the emergency work to overcome this situation was "patching" in order to put public works into service as soon as possible. That stage is already over. What is being undertaken now is in final form. Doing it means drawing up a study, a plan, calling for bids and awarding them to the enterprise that offers to build in the best and cheapest way.

[Question] What were the subsectors under the MOP that suffered the effects of the earthquake most?

[Answer] The worst is the problem of port works that totals 8.8 billion pesos. The most serious because it directly affects the people was the problem of sanitation projects in the fifth region. SENDOS [expansion unknown] which takes care of sanitation projects in the rest of the regions, except the metropolitan region, had 23 services cut on 4 March. These were replaced in the first week. EMOS [Metropolitan Sanitation Projects Enterprise] which covers Santiago had damage basically in Melipilla and the western sector of the metropolitan area. In roads we have 13 collapsed bridges that must be rebuilt, many not totally but partially. There are 20 other bridges damaged and problems with the roads.

[Question] It is almost winter. What is the most serious effect that this can have considering the damage caused by the earthquake?

[Answer] We are very concerned about the runoff of rainwater that could be clogged or blocked by all this debris in the streets. The municipalities are making great efforts to get rid of it. The problem of rainwater is not a problem of the MOP. I want to make that very clear. There are dual sewerage systems for sewage and rainwater. These are the responsibility of the Sanitation Projects Enterprise. These must be kept clear of earthquake damage. Otherwise, they could cause serious problems.

There are also cracks in the roads that must be fixed because, otherwise, water will get in and wash away the roadbed. We are hurrying to repair these as quickly as possible.

7717

CSO: 3348/593

CHILE

URBANIZATION MINISTER DESCRIBES RECONSTRUCTION POLICY

Santiago ERCILLA in Spanish 3 Apr 85 pp 11-12

[Interview with Miguel Angel Poduje, minister of housing and urbanization; date and place not specified]

[Text] More than 201,000 housing units were destroyed or damaged in metropolitan regions 5, 6 and 7. This is equivalent to 13.16 percent of those zones. If we add the virtual destruction of a city--the case of San Antonio--to this and other serious urban problems both in Santiago and Valparaiso, the task and responsibility on the shoulders of the minister of housing and urbanization, Miguel Angel Poduje, cannot be envied.

Poduje talked with ERCILLA although he was in the midst of coordination meetings with national and foreign missions and visits to the sites to directly learn the physical reality and the human dimension of the catastrophe that struck his sector so hard.

[Question] What is the real situation of the housing sector at this time?

[Answer] We have already finished the official listing of damage. The problem of the housing area is very special. In health, education and other sectors, the extent of the damage can be determined very quickly. Here the number is very large. That is why it is important to apply a criterion of extent of damage in addition to looking at the total number. There are housing units that this earthquake left untouched on the outside but uninhabitable inside. There were 68,300 housing units destroyed and more than 133,000 damaged.

[Question] Of the \$1.8 billion total damages, how much corresponds to the housing sector?

[Answer] To determine the extent of the damage, I will have to go to the housing units themselves or determine a replacement factor. I can say that I am going to replace a house with a "mediagua" [building with a sloping roof], an urban "estandar" or a first-aid station, a basic house, a middle-income house or any other formula. Only in terms of replacement at the level of first-aid stations in urban areas, we have 25 billion pesos in direct damage.

[Question] How is the damage measured?

[Answer] I have a legal concept of damage. We can measure the resulting damage and money lost which includes not having people living in a place and people not going to their jobs. Then there is all the road damage. I am talking about housing but this is the Ministry of Housing and Urbanization. All the structural road networks for traffic in San Antonio and Valparaiso have been destroyed. It is necessary to replace these quickly.

I don't want to venture into figures. At this time, we have to control the emergency but it is already mostly under control. Then we must concern ourselves with working in the medium and long term which is what interests us now.

[Question] Isn't there the danger that some sectors in the central zone will become "mediagua" camps?

[Answer] We have planned emergency work with priorities. I believe that the "mediagua" solution is very Chilean. It has always resorted to this in emergencies. I believe that it is most adapted to our idiosyncrasies. It is a solution with wood which is a national product and definitely meets an important need at a certain time.

The priority is for installation in the same place where the destroyed housing collapsed because this entails an infinitely lower cost. It utilizes all the previous infrastructure: potable water, sewerage, transportation, etc. We have tried to avoid again creating cities or strongholds of "mediaguas" as much as possible. We would say that this is the last and most remote alternative.

[Question] What will happen with San Antonio?

[Answer] It will be redesigned. This must be done based on current dynamic urban-planning elements consistent with the reality of a modern city.

[Question] Soon the National Urban Development Policy will be made public. What is its aim?

[Answer] It tries to consolidate the city, not in the sense of increasing the number of citizens but to avoid exaggerated and excessive expansion of the city. This does not mean prohibiting or permitting construction beyond the urban radius. It involves the idea of encouraging construction in the consolidated areas and discouraging it in areas that are not yet consolidated.

[Question] Will this policy be applied in the so-called old or western Santiago?

[Answer] Unquestionably. The basic idea is that, within the next 30 or 60 days, we can declare remodeling zones. Remodeling is not an activity that the state but rather the private sector should take on. The state must give incentives so that this is done in urban areas.

[Question] And in Valparaiso?

[Answer] In Valparaiso there are exceptional conditions now for remodeling. I can cite the example of the Hospital Deformes at O'Higgins Plaza and Avenida

Argentina. There is an entire nucleus for constructing medium-height buildings and green areas that has really interesting remodeling potential. These are the challenges now that must be merged with the emergencies.

[Question] A committee was formed at the ministry to investigate the housing under this ministry that collapsed. How is it coming?

[Answer] It is not really an investigation committee. It is a multifunction body. It is collecting reports from the businessmen themselves who built the housing that was damaged. There must be a counterpart which is this committee that Rodrigo Flores heads. That exchange of information, study and evaluation will provide all the background that will permit an investigation now and in the future to determine responsibilities.

[Question] In case the builders were at fault, what position will the ministry take?

[Answer] If there are responsibilities, we all--the ministry as well as the businessmen and the professionals--are very clear that it is necessary to assume these responsibilities. The possibilities that judicial or administrative measures will be taken are not at all remote. At times the latter are even harsher than the former.

[Question] Was it difficult to reallocate funds to confront the emergency?

[Answer] This was done with lightning speed. We finished reprogramming about 2 days after the earthquake. It involved suspension or delay of all paving programs. Within 3 days, we could release a total of 1.78 billion pesos to face the problem of "mediaguas."

[Question] To what extent has this situation affected the housing programs projected for this year?

[Answer] What we have released was allocated to the paving program and internal or current expenses. The basic objective was not to cause any effect on the normal programs. It should be stated that our complete program--housing subsidy, medium-level sectors and basic housing--has not been affected. The Ministry of Housing and Urbanization not only has to watch its physical program but also the projection and economic effect that construction has. We cannot distort the economy, industry and services that were already adapted.

[Question] How much of a regression in housing available does this earthquake represent?

[Answer] It could be a year before there is real activity compared to the destruction. However, the deficit is much lower because the destroyed housing was old housing. Our deficit is qualitative. Probably many houses that collapsed were already considered a deficit to us.

[Question] Will new jobs be generated?

[Answer] This subject is complicated. There are problems of temporariness. If one looks at today, I believe there are temporarily areas where more work is concentrated. There is more work in a private, not business, sector from people asking to have work done. They do not normally hire people but have the capacity to pay for repair expenses. In view of this situation, this is a time when specialized manpower is needed.

[Question] What measures are being taken before next winter?

[Answer] God only knows. There are some very promising things. For example, in the port of San Antonio, by the end of this week all the people will have lodging. The daily rate of construction of "mediaguas" and emergency housing is in full swing, ending the inertia by starting up the machinery. I believe that we will meet the emergency housing needs in 30 days. I ask San Isidro to wait a few days and the situation will be absolutely under control.

[Question] Has the process of making the credit from international organizations flexible been satisfactory?

[Answer] It has been very good. We already have the IDB absolutely in agreement. We have a policy of suspending primary programs in the metropolitan region. It is unfortunate that we have to do this but reality demands it. The flexibility means that the resources that are there can be used for another project. The original project starts all over even when there is an evaluation study already made. This is the raw material when the project is started again. As to housing, we have been in constant contact with the BM [World Bank]. Three missions have come from the BM in the period of 2 weeks. We are beginning a very important program in which the first 10,500 housing units are up for bids. Of these, 7,500 correspond to the disaster zone. In the coming days, we will begin a new stage of housing subsidies focused on housing for the victims.

[Question] Is there a new study of the subsidy program?

[Answer] There is a new study that does not in any way imply a change in the philosophy of the housing subsidy. We do not want to add any discretionary element to the entire stage of selection. However, there is a new element, the victims, to be considered in the same system to select the beneficiaries.

[Question] Will the regions not affected by the earthquake be hurt by the re-allocation of resources?

[Answer] There will be some problems but it will be very low percentagewise because we have maintained almost all normal levels of activity. We cannot have a complete change since this would mean an enormous imbalance in the regional economy. In general, I believe that the percentage of decline in the physical program at the national level is minimal.

7717

CSO: 3348/593

CHILE

NATIONAL STATISTICS HEAD DEFENDS EMPLOYMENT, GROWTH FIGURES

Santiago HOY in Spanish 8 Apr 85 pp 19, 21

[Interview with Alvaro Vial, director of the National Institute of Statistics (INE), by Manuel Delano; date and place not given]

[Text] The predictions of Alvaro Vial, director of the National Institute of Statistics, are cautious. In 1985, he says, inflation should not exceed 20 or 26 percent annually "if there are no additional measures compromising that goal." "But what about devaluation?" HOY asked him. Vial did not reply. Concerning growth, he is conservative: only about 2 percent this year, half of the official goal.

Alvaro Vial (35, two children) is a dyed-in-the-wool "Chicago boy." He considers himself to be a liberal. He studied at the University of Chile, then went to the University of Chicago, where he obtained a Master's Degree in economics. Vial returned home as the dean of economics at the University of Concepcion. In 1984, former Minister Andres Passicot summoned him to serve as the top economics official, which he left for the INE.

He admits that his relations with former Minister Luis Escobar "were quite bad," although he adds that he is a man "with a great sense of wishing to help his country." He now feels quite at home with the new economics team ("Fantastic, very good," he says) because "we share the same views on life."

Vial has just published "A Decade of Economic Changes" with Alvaro Bardon and Camilo Carrasco. The book is a passionate defense of what this government has done. Vial blames the international recession for the adverse results, refusing to admit that there has been an excessive debt and claiming that the central concern has been the poor.

[Question] How can you say that the government has been concerned about the poor if unemployment affects one out of every three workers and now, at least one out of five?

[Answer] Those are things that are out of the hands of the government and the economic policy. The fact that so many workers are unemployed is not the responsibility of the government or of the economic policy. It is the product of two international recessions. Despite all the bad things people might say

about us, the truth is that this government has done much better than the ones that came before it. If we had had a different economic policy in those 10 years, we would be even worse off.

[Question] The growth rate of previous governments was 4 percent, while under this one, it has been a little over 2, without considering the corrections of CIEPLAN [Economic Research and Planning Center]. Where is the best output?

[Answer] There are fundamental differences between one period of time and another. To mention but one, in the last decade, the price of copper was \$1.70 a pound, while it is now \$.62. You cannot compare one decade with another based on the growth rate of the country. What one must do is to compare how Chile has done with respect to the rest of the Latin American countries.

[Question] It was you who made the comparison. At any rate, Minister Rolf Luders said that two-thirds of the recession was due to internal errors and only one-third to the international crisis.

[Answer] That was a fantastic mistake on the part of Luders. In addition to being an argument which I think is false, a member of the government itself fueled economic criticism for the destruction of everything this administration has done. That is a mistake unfortunately made by other people in the government, without referring to the past, when in all actuality, this country has done much better under this government than under previous ones.

[Question] What is your opinion of the CIEPLAN study showing that during the 1976-1981 period, a large part of the "miracle" in growth was statistical and not real?

[Answer] I have not read the study, although it was sent to me last week by Patricio Meller, of whom I have an excellent opinion. What I could say, without reading it, is that the national accounts have been done as they were in the past and any government would have done them in the same way. If there are errors in accounting -- and I am certain there are -- then we must review all the series going far back. I am sure that there was no intention on the part of the Central Bank to make the mistakes to which Meller and company refer. Those theoretical criticisms actually lead us to no negative conclusion concerning the government in that decade.

[Question] But the study maintains that growth in 1976-1981 was 6 percent and not 8 percent, as the national books say.

[Answer] One would have to recalculate all the books for the past, as done for this period.

[Question] There is distrust of the figures. The World Bank has just financed a project for Chile to audit the national books and statistics.

[Answer] I have to be categorical. The project does not indicate any kind of distrust! International officials who come here say that this country has

all the necessary statistics and that they are good ones. Despite the fact that we have the best in Latin America, we are trying to improve quality. Part of the credit from the World Bank is earmarked for improving statistics.

[Question] Let us get to those statistics. Why does the INE include as employed the PEM [Minimum Employment Plan] and POJH [Employment Program for Heads of Household] workers?

[Answer] The PEM and POJH workers have jobs, although the work is not very productive and is poorly paid. This low productivity can be reasonably compared with work done in the past by thousands and thousands of persons in government employ with productivity that was nearly zero.

[Question] If former Minister Escobar included them among the unemployed, why would the same not be done by economists who consider the wage of 5,000 pesos a month paid by the POJH and that of 3,000 paid by the PEM to be pitiful?

[Answer] I agree that those people have low productivity and pay, but I also say that in the past, there were persons with similar jobs who were defined as employed. If I listed the PEM and the POJH workers as unemployed, then I would have to do the same with part of the public employees in the past, who demonstrated similar characteristics.

[Question] But the government worker had the right to benefits, health care, unionization, which the PEM and POJH lack completely.

[Answer] But those things pay only a few pesos more and in the final analysis, the people earned about the same amount.

[Question] Does an economy with an unemployment rate three or four times higher than in the past not seem sick?

[Answer] It is an economy attacked by the recessions of 1974 and 1982, for which adjustments had to be made. But everywhere, from countries with socialistic-type policies to other more liberal nations, unemployment is rising. Does that mean that all the policies are wrong?

[Question] But it is a very different thing to be unemployed in the United States, for example, with a government subsidy that enables one to survive, and another to be unemployed in Chile with the PEM and the POJH.

[Answer] Yes, but it is also different to have the PEM and the POJH, which at least help the people eat and which they did not have in the past. We have taken a step forward compared with the past, when the unemployed person did nothing.

[Question] Why not pay 10,000 pesos a month to PEM and POJH workers and assign them to productive jobs, getting the resources from any of the subsidies granted to businessmen?

[Answer] For a fundamental reason: because these programs compete with jobs in the private sector. Thus, if we pay more for the PEM and POJH, there will

be less interest in working in productive jobs in the private sector. If we have trouble finding farm workers now, there would be even more problems if we pay more for PEM and POJH.

[Question] You can say that here, in your office, but can you tell that to a person who earns 5,000 pesos and does not have enough to eat?

[Answer] The government would tell that person that it is doing everything it can. The government does not want to have many unemployed persons because there is a tremendous political cost involved. This encourages the government to do its utmost. Unfortunately, there are limited resources, not enough to go around.

[Question] Considering that growth will be "moderate," according to authorities, how could one reach the goal of 9 percent unemployment as provided in the 3-year plan? Are these things not contradictory?

[Answer] The 3-year program for this year is not yet out. When it was done for the first time, it was to be frequently revised and obviously, that figure will also be revised. A government always has to set goals in order to justify the efforts to be made in each field. It is the government's desire to reach that goal and every possible effort will be made. Unfortunately, that figure may not be able to be achieved.

[Question] Let us speak of the IPC [Consumer Price Index], one of the figures with the least credibility. Why include articles such as tennis racquets and whiskey in the IPC?

[Answer] They are the articles that have gone up the most. If you took them out, the IPC would be lower. They are included because part of the population buys these products. They have to be included because the IPC is supposed to reflect national consumption, not mine or yours.

[Question] The persons who go to the stores know that food has gone up more than other products and over half of the population uses over 50 percent of its income on food. Would it not then be reasonable to consider a shopping basket with strictly essential goods instead of the 348 articles now included?

[Answer] It would not be reliable. In addition to eating, the poor engage in other activities. They go to the movies, buy clothes, ride minibuses. They make the same purchases as a high-income family, but in smaller quantities. Now then, since they buy little, those products have lower weight. A bottle of whiskey counts very little, which reflects the fact that whiskey is a luxury item.

[Question] But the basket was put together on the basis of 1978 consumption, during the so-called "miracle years." Seven years have gone by and without a doubt, the shopping basket contains different things. People drink much less whiskey than they did in 1978.

[Answer] We are going to make a study to determine what is now in the basket. These studies are extremely expensive because you have to record what a sampling of families consumes for a whole year.

[Question] Between 1976 and 1978, the IPC revised by CIEPLAN and the BHC [expansion unknown] showed greater price increases than the INE [National Institute of Statistics]. What is your explanation?

[Answer] They took different figures, made their calculations and came out with different results than the INE. The problem is that they used figures different from the ones we use for our calculations, which yielded different results. If they used our figures, they would have come up with the same results.

[Question] Why did the INE not make their figures public? It still does not do so.

[Answer] For 2 years, those figures have been released. I do not know what happened in this case. The only thing I can say is that they are figures different from the ones we use. They got a paper with specific figures, said that they were the figures, did their calculations and obtained different results.

[Question] To solve the problem, the easiest thing would be to show the figures, but the INE has not done so.

[Answer] For 2 or 3 years, the figures have been released. I do not know what happened in this specific case. I can say no more because that is all I know.

[Question] What is your opinion of the criticisms of the INE wage index to the effect that the latter only gathered information on 40 percent of the labor force?

[Answer] I do not like that statistic either, but it is not as bad as you say. It is more representative. However, we are aware that there are problems are we are trying to overcome the deficiencies. We are engaged in a project to change the employment sampling, which is rather old, over 10 years old, and which because of its age has flaws. We are doing the same with the whole-sale price index, the IPM, which also has problems of weighting. Consequently, there are attempts at improvement.

11,464

CSO: 3348/607

CHILE

ECONOMISTS EXPECT NO IMPROVEMENT IN UNEMPLOYMENT PICTURE

Santiago HOY in Spanish 8 Apr 85 pp 23-24

[Article by Hugo Traslavina]

[Text] A prime objective of most of the plans of economic teams whose job it has been since 1981 to deal with the severe crisis besetting the country, the "war on unemployment" has recently lost ground, at least from the official standpoint.

Since Minister of Economy Modesto Collados revealed his 3-Year Plan in July of last year, few authorities have made such optimistic projections leading one to think that there would be real improvement in employment in 1985. Collados' plan projected lowering the unemployment rate to 10 percent by the end of this year, reaching 9 percent in 1986. Within the framework of the new agreement approved by the IMF (HOY, No 402), that goal is almost an illusion.

In the best of cases and thanks to the earthquake, the index may have reached a stationary level, say experts consulted by HOY. The latest figures released by the INE last week speak of unemployment of 12.8 percent nationally and 16.9 percent in the metropolitan region. If to the first figure one adds the 149,887 beneficiaries of the PEM [Minimum Employment Plan] and the 218,738 covered by the POJH [Employment Program for Heads of Household], real unemployment reached 22.5 percent in the December 1984-February 1985 trimester.

The percentage might go up if one learned the results of the employment survey periodically prepared by the Department of Economics of the University of Chile and commissioned by the Central Bank.

Projections on the employment trend began to get shaky as soon as authorities announced that growth of the product in 1985 would be "moderate." Long gone was the phrase of former Minister of Finance Luis Escobar that the increase in the GNP of 4 percent would not change. The members of the economic team who survived the Cabinet crisis of 12 February never explained how that 4 percent became "moderate."

Only Construction

With respect to projections, the change contradicts the government's plans. Since the rate of growth will go down substantially and might even be negative.

"there is no reason to think that unemployment will drop, rather the opposite," says economist Ivan Valenzuela from the Cedal Center of Labor Studies, adding that the increase in unemployment in the productive sector (as a result of the decline in economic activity), "could be compensated for by a possible increase in jobs in the construction sector deriving from the most immediate needs caused by the earthquake."

A very similar opinion is that of Victor Tokman, director of PREALC (UN Regional Employment Program for Latin America and the Caribbean):

"If the key to a projection of the rate of employment is growth of the GNP and if it is clear that there will be no growth this year, then the situation on the labor market will tend to get worse. But since there was an earthquake, there will surely be a change in the allocation of the scarce resources going to the construction sector, which uses a large labor force. This could mean a stagnation of the unemployment rate at around 15 percent."

According to official figures, along with a considerable increase in productive jobs (authorities say they amount to 250,000), there was a simultaneous increase last year in those enrolled in the emergency PEM and POJH programs of 14,586 persons, all this in the midst of a 5.9-percent increase in the GNP.

This was achieved with a fiscal deficit of nearly 5 percent, an increase of 13.5 percent in imports and a deficit in the balance of payments of \$2.06 billion. What will happen this year when the IMF only authorized a fiscal deficit of 3 percent (with possibilities of increasing it by .5 if additional foreign credits come), a decrease in imports of 13.8 percent and a regular deficit of \$1.38 billion?

In the meantime, the government will be in more difficulty if it tries to compensate for the drop in the productive sector with new deadlines in the subsidy programs. If there are fewer resources, in keeping with the agreement with the IMF and if, in addition, it ceases receiving some 12 billion pesos resulting from the tax reform, extraordinary efforts would have to be made to maintain the PEM and the POJH, which last year required 13.5 billion pesos.

It is enough to make one forget the optimistic goals announced in the middle of last year.

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CSO: 3348/607

CHILE

BRIEFS

FRUIT PROCESSING PLANT OPENED--The largest fruit processing plant in Latin America and the fifth largest in the world, belonging to the international company known as Unifrutti Traders, was officially opened at the end of last month in Teno, 7th region. The new plant reportedly required an investment of \$8 million. Its capacity will enable it to employ a labor force of 45,000 working days in a period of 180 days a year. It was also reported that the modern facilities have an air conditioning and ventilation system, making it the only cold storage plant of its type in the country. This technology will make it possible to increase the storage period and later marketing of apples going to foreign markets. The new facilities, joined with those already in existence, provide a total capacity of 18,000 square meters of cold storage and 13,000 square meters of packing and warehousing. There are also 34,800 square meters of covered hallways. [Excerpt] [Santiago EL MERCURIO in Spanish 11 Apr 85 p B-2] 11,464

GOVERNMENT RELOCATES SLUM DWELLERS--Next month will mark the beginning of the relocation of the nearly 4,000 families living in the Raul Silva Henriquez Camp. This information was released by Minister of Housing and Urbanization Miguel Angel Poduje at a meeting held with the leaders of that settlement. It was reported that the lots are located in communes in the metropolitan area, but the exact sites were not specified. At any rate, the land has already been purchased by the Ministry of Housing and Urbanization to be used for the purpose. Each site will have between 100 and 120 square meters and water faucets will be installed to supply drinking water. The minister noted that he will visit the camp on Monday so that its inhabitants "may understand the enormous effort being made by the Ministry of Housing and Urbanization to carry out the project." Poduje said that the relocation will begin in May. It will include several phases and take approximately 2 months, therefore requiring an entire program for the transfer of families to the different places. Poduje asked the families' representatives to demonstrate understanding "because we are already working on the solution." The official said that despite the difficult situation the country is going through because of the earthquake, "the Raul Silva Henriquez Camp project will not undergo any modifications." [Excerpts] [Santiago EL MERCURIO in Spanish 11 Apr 85 pp C-1, C-6] 11,464

CSO: 3348/607

COLOMBIA

LIBERALS, CONSERVATIVES DEPLORE LACK OF PUBLIC ORDER

Bogota EL TIEMPO in Spanish 13 Mar 85 p 1-A

[Text] In one of the harshest and most direct criticisms made of the peace process, liberal and conservative leaders gave the government a dire report yesterday on the public order situation and the absolute lack of guarantees for them to engage in their party activities, in the face of armed guerrillas who stroll around everywhere with a threatening attitude.

At the same time, Minister of Defense Gen Miguel Vega Uribe notified the country yesterday by means of a communique that the Armed Forces would assure compliance with the truce agreements signed by the government and the guerrillas. He also warned that anyone violating these accords will be punished in accordance with the law and reiterated that there is no part of the national territory in which the presence of military forces is prohibited.

For his part, President Betancur, in his installation speech to the extraordinary sessions of Congress, said that the extended hand should not be interpreted as weakness or neglect of the chief of state's constitutional responsibilities. He warned the guerrilla groups that "peace must be responded to with peace" and explained that all the authorities have been instructed to apply the law without consideration or leniency for those who engage in extortion, kidnaping, forced billeting [boleteo] or the obligatory financing of political movements.

For his part, German Bula Hoyos, coordinator of the national dialogue, said that there are points on which agreements will not be reached with the armed rebels, particularly as regards the holding of a national plebescite. He indicated that he agreed with the Attorney General of the nation that the guerrillas had partitioned the national territory to carry out their activities.

While this was taking place, a new wave of disturbances of the public order erupted, involving the seizure of various public places in Cali by groups of persons and yesterday's kidnaping of Blanca Bermeo, the widow of Murcia, in Pitalito, Huila.

COLOMBIA

BRIEFS

ARAUCA AIRBORNE COMMANDER--Lt Col Gustavo Gil Rojas has assumed command of the Arauca General Rebeiz Pizarro Airborne Cavalry Group in replacement of Lt Col Ramon Santander Fuentes. [Text] [Bogota EL TIEMPO in Spanish 7 Mar 85 p 12-A] 8143

MILITARY INTENDANT, MAYOR APPOINTED--Lt Col Luis Eduardo Barragan Gutierrez, a veteran paratrooper and cavalryman, was recently appointed military intendant of Arauca by President Betancur. In this region of the country, as is known, serious breaches of the peace have been taking place, such as frequent assaults, kidnappings and assassinations perpetrated by subversive elements, particularly those of the self-styled ELN [National Liberation Army]. Colonel Barragan, an active-duty officer who has distinguished himself in the antiguerrilla campaign, was performing the duties of deputy commander of Department 3 of the Joint General Staff of the Armed Forces when he was appointed to the post of intendant. In addition to this appointment and because of the same conditions of public disorder, Lt David Francisco Romero Hurtado, on active duty with the National Police, was appointed military mayor of Araucita, in the district of Arauca. [Excerpts] [Bogota EL ESPECTADO in Spanish 12 Mar 85 p 8] 8143

ARMED FORCES ECONOMIC CRISIS--The country's economic crisis is seriously affecting the structure of the Armed Forces. It has been reported that the Minister of Defense is studying a reduction in the public forces of about 10,000 men. This situation is due to the reduced budgetary allocation of the Ministry of Defense. In earlier reports, EL SIGLO presented the desolate budgetary picture of the Army, Air Force, Navy and Police. It was said, for example, that there are four cartridges for the marksmanship training of each soldier. Last weekend, top military officers visited the northern region of Cauca to inspect the state of forces engaged in surveillance of that area. The officers in charge of the detachment joined their voices to the plea for greater economic support. Added to these problems is the serious foreign exchange crisis which has imposed serious limitations on the import of military equipment. It was reported that INCOMEX [Foreign Trade Institute] has not approved a license for the import of 300 highly sophisticated rifles for specialized units of the Army. The foreign exchange crisis is affecting other sectors of the public administration. National Civil Registrar Humberto de la calle Lombana has once again called upon the president of the republic for help in importing the equipment needed to conduct the upcoming elections. The required license authorizes the import of a modern telex communications network. This network is absolutely necessary to facilitate quickreports on electoral results. [Excerpt] [Bogota EL SIGLO in Spanish 13 Mar 85 p 2] 8143

EL SALVADOR

RIVERA RELATES COMPLEXITY OF ROLE AS MEDIATOR

Hamburg DER SPIEGEL in German 1 Apr 85 p 143

[Interview with the archbishop of San Salvador, Rivera y Damas, on the civil war, "'The Dead We Supply Ourselves'": date and place not given]

[Text] [Question] Excellency, it appears as if the peace dialogue between the Duarte government and the guerrillas, in which you are acting as an intermediary, has been cut off. For weeks now, all the attention has been directed toward the parliamentary elections of 31 March. After 5 years of civil war, with more than 50,000 people dead, is there still any hope for peace?

[Answer] We know that the elections alone will not create peace. President Durate gave me his personal promise that the dialogue would be resumed after them.

[Question] What can the church do for that purpose?

[Answer] The contacts now go entirely through me. The next step will be an unofficial round of preparations to come up with things in common. Something positive simply has to come out of that.

[Question] The leftist guerrillas want to see concrete steps--for example, the withdrawal of the U.S. military advisers from El Salvador. President Duarte, on the other hand, is demanding that the guerrillas lay down their arms. Is a rapprochement in fact possible?

[Answer] Each side can demand what it wants to; only talks will produce results.

[Question] In addition the rebels in the mountains demand a government of "national consensus" and a reform of the armed forces.

[Answer] That is completely utopian, for it would mean for the present government to surrender and resign. Or even a coup d'etat...

[Question] ...which would presumably come from the right. In the meantime the war continues. In 1984 it caused more than 3,000 victims. Who is responsible?

[Answer] If you count and add up the dead, the armed forces and the death squads are responsible for the majority, but the guerrillas too kill and devastate the countryside.

[Question] In the past year President Duarte gave the election promise that he would bring the murderers from the death squads to trial. As yet no one has been held accountable, however.

[Answer] It is difficult for a new government to create order if there is anarchy everywhere. But there are fewer victims of death squads, and at least one can talk with the heads of the security forces about this taboo.

[Question] But so far no one has been put to trial.

[Answer] That is the fault of the judiciary. The president of the Supreme Court is a rightist. Likewise, the chief prosecutor is a militant member of the extreme-right ARENA Party. It is not only the fault of the government.

[Question] But it is not doing anything, is it?

[Answer] True, the death squads ought to have long since become a thing of the past, but they still exist and torment us.

[Question] Not even the murder of your predecessor, Archbishop Romero, in March 1980, has been solved. Recently a former Salvadoran intelligence chief said that a Nicaraguan from among the Contras, the friends of the United States, had committed the murder for 120,000 dollars. ARENA head D'Aubuisson is said to have commissioned it. This is being discussed openly in the United States and Europe, but the Salvadoran papers do not write about it.

[Answer] There certainly exists an interest in suppressing the truth. I have no doubt but that the rightists and the military are responsible for the murder of Monsignor Romero.

[Question] Eugenio Vides Casanova, former head of the National Guard and now defense minister, presumably also knew about it. There was even a party in the barracks after the murder.

[Answer] As far as the military is concerned, you know, I cannot as a bishop accuse anyone before his guilt has been proved.

[Question] You have always said that the result of the investigation in the case of Romero is an indispensable component of peace in the country.

[Answer] I continue to demand this, but I cannot just go and openly accuse people. All that the church can do is to insist and exercise pressure again and again.

[Question] Romero became a nuisance for the military when he said that the arms supplies from the United States served to suppress the Salvadoran people. Is that still true?

[Answer] I would say that these arms supplies help to fuel the war. And I have always been opposed to war. But the civil war of El Salvador is no local conflict; it affects the whole region, with geopolitical effects. The arms come from outside, the dead we supply ourselves.

[Question] It is not easy to mediate in this country. The left accuses you of being a mouthpiece of the Duarte government, and the right sends you death threats. Does it pay to go on?

[Answer] It is my sincere intention to help put an end to violence and destruction in this country. The peace talks are the solution; so we have to go on...

[Question] ...even at the risk of death?

[Answer] The threats frighten me, but I have to go on.

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CSO: 3620/331

EL SALVADOR

PDC CO-FOUNDER ON EUROPEAN VIEW OF GUERILLAS, SANDINISTS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 9 Apr 85 p 6

[Article by "Stg.": "Guerillas Are Not Good-Natured Robin Hoods"]

[Text] Frankfurt, 8 April—"The solution of the political crisis in El Salvador is inconceivable without the solution of the Nicaragua problem," Juan Ricardo Ramirez Rauda, El Salvador's new ambassador in Bonn, told this newspaper in an interview. The victory of the Christian Democrats in his country's parliamentary and communal elections was a decisive step in the **right direction**, he said, but as long as the Marxist guerillas inside his country received support from the Managua government, any thought of consolidation was impossible. The 62 year-old diplomat is a personal friend of El Salvador's President Duarte. Together with him, he founded the Christian Democratic Party (PDC) in 1960 and served as its general secretary from 1972 to 1977 and again in 1980. He then left El Salvador and lived in Costa Rica where he acted as adviser to the parliamentary faction of the christian socialist party there.

Ramirez Rauda is a professor of philosophy and the philosophy of law who has taught generations of students at the university of San Salvador. "The major guerilla leaders all were students of mine," the delicate-looking diplomat says with a smile, conceding that many of them started out as idealists. Now, however, they are demonstrating a shocking disregard for the will of their own people. Ruben Zamora, the best known representative of the FDR, the coalition of guerilla groups, next to Guillermo Ungo—himself a former member of the Christian Democratic Party—recently told him that the guerillas would continue to fight no matter how things turned out politically in El Salvador. "They are prepared today to risk the future of the whole country merely to realize their Marxist dreams," he says, adding that he has noticed a dangerous misconception **with regard** to the guerillas in Europe. "These are not good-natured Robin Hoods but cold-blooded fighters, some of whom have adjusted to the idea of fighting on for years. What this might mean for the population in the areas on which they descend has long since stopped to worry them."

The biggest difficulty in the dialogue with the guerillas which the Duarte government started last fall lay in the difference between the two starting positions. Duarte is a president, who has won legitimacy on the strength of four different election victories. He offered the guerillas everything "possible according to the constitution which was approved by the majority of the population." For their part, the guerillas were unwilling to accept the political realities established by the first elections to the constitutional assembly in 1982. They are demanding participation in the government without previously having taken part in the electoral process. "In essence, they would like to return to a situation which we managed to overcome with a great deal of effort: a de facto government not legitimized on the basis of elections."

Ramirez Rauda believes that the guerillas do not want to risk taking part in elections because they know full well that they would never be able to attain a majority in this way. The many attacks and acts of terrorism perpetrated by them has caused their reputation among the population to reach a new low over the past several months whereas the overwhelming election success of his party—winning 33 out of 60 seats in parliament—was proof of the fact that the majority of the population is in favor of this policy. The ambassador believes that the guerillas' demand for a dialogue is a maneuver tied to an attempt to gain public support in the West. After the middle of 1981, the guerillas gained strength when oldtime communist Shafik Jorge Handal took a trip to the East bloc countries. During the year 1982, the guerillas did not call for a dialogue because they were getting plenty of weapons from Moscow, Havana and Vietnam and were therefore hoping to achieve a quick military victory. During the past year, it became increasingly clear that the guerillas would not win the fight as quickly as they had hoped for a time.

The ambassador called attention to the meeting of socialist parties in Lisbon last July in which he took part as a representative of President Duarte. On that occasion, he observed a marked shift in position vis-a-vis El Salvador and Nicaragua on the part of Latin American political leaders such as former President Perez of Venezuela and Costa Rica's President Monge. While they had both come around to accepting the legitimacy of the Duarte government, they also expressed increased reservations with regard to developments in Nicaragua. Most of the delegates agreed with this assessment with the exception of the representatives of the socialist/social democratic parties of Sweden and the FRG.

Ramirez Rauda believes that the assessment of the situation in Central America in Europe is onesided. By mounting fantastic campaigns, the Sandinists have succeeded in pleading their cause, while skillfully diverting attention from the fact that they have betrayed the original goals of the revolution and that their military might poses a threat to all of Central America by this time. He also believes that the Sandinists wish to start

a major offensive against the armed anti-Sandinists. But the young recruits in the Sandinist forces—at least some of them—have not had sufficient training for the kind of jungle warfare that is to be expected. For another thing, there is growing resistance among the Nicaraguan population to the increased recruitment of youngsters under the age of 18. The Nicaraguan armed forces have at least 200 Soviet tanks and 12 heavily armed helicopter gunships of the Soviet MIG 24 variety. In addition, they are getting support from the propaganda machine of the Marxist countries with which some Western newspapers are joining forces—frequently as a result of a lack of understanding of conditions in Central America.

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CSO: 3620/333

MEXICO

ORIT LINKS MORATORIUM TO DEBT RENEGOTIATION OUTCOME

Mexico City EXCELSIOR in Spanish 20 Apr 85 pp 1-A, 13-A

[Article by Humberto Aranda]

[Excerpts] A general moratorium could be the only solution for Latin American countries if the International Monetary Fund and the World Bank do not agree to a renegotiation of the debt with longer repayment periods, lower interest rates and deferments because the choice is between "saving the creditor banks or ransoming the people of Latin America."

Along with this warning, the 11th Continental Congress of the Inter-American Regional Organization of Workers (ORIT) yesterday instructed those organizations and the governments of debtor countries to take into account, in their letters of intent, the social effect produced by their conditions.

The attitude of the Latin American labor movement represented by ORIT was presented in a message sent by the 11th Continental Congress to the joint meeting of the International Monetary Fund and the World Bank in Washington.

Delegates to the ORIT Congress meeting in the CTM [Confederation of Mexican Workers] building applauded the document sent to the International Monetary Fund and the World Bank to define the position of the Latin American labor movement on the foreign debt.

Negotiations

The trade union, aware of its responsibility, demands "its right to participate in the internal or external negotiations that in the final analysis affect their families and all those making up the social sector," the ORIT Congress states in its document.

It also states that "the world crisis creates a new situation requiring that governments accept the participation of the social sector, whose opinion must be considered before any decisions are made."

The trade union leaders from the continent indicate that the International Monetary Fund, the banks and governments represented by the Fund itself "must take into account the social effect that their conditions expressed in their letters of intent cause in the debtor countries."

Linking Debt to Exports

In another requirement, the ORIT Congress states that in their negotiations with the Fund, "the governments of the debtor nations, backed by the sectors making up their society, must formulate demands linking the debt to the terms of development and export possibilities of those nations, so that they might enjoy better conditions as they evolve."

The document also emphasizes that "the public and private foreign debts must be separated because their origins and uses are proverbially opposed and their handling for payment must be different."

As another outstanding point, the ORIT Congress, which came to a close yesterday, argued that "given the organization of the creditor banks, organizational formulas of the debtors should also be presented in order to avoid the bilateralisms that finally imply limitations on future agreements concerning productive or commercial relations between debtor nations."

ORIT demanded that creditors and governments of debtor countries agree that loans to be negotiated in the future have full employment as their prime objective.

More Meetings

The 11th Continental Congress of ORIT was declared closed yesterday by Julio Cruzado Zavala, secretary general of the Confederation of Peruvian Workers.

The new officers confirmed in office were Mexican Alfonso Sanchez Madariaga, president of ORIT; Venezuelan Ismario Gonzalez, secretary general; and Paul J. Somogyi from the AFL-CIO of the United States as treasurer.

Secretary General Ismario Gonzalez reported that there will be more meetings to consider the problem of the debt, one from 29 April to 5 June in Santiago de Chile and another at the Conference of Labor Ministers of Latin America and the Caribbean in July in San Jose, Costa Rica.

He explained that the position of ORIT is in favor of a moratorium on payment of the debt, but that each country must seek its negotiating strategy. He said that ORIT is confident of the support manifested by President Miguel de la Madrid for this proposal of Latin American workers.

11,464

CSO: 3248/339

MEXICO

SALINAS DE GORTARI EMPHASIZES SOCIAL COMMITMENT IN PLANNING

Mexico City EXCELSIOR in Spanish 25 Apr 85 pp 1-A, 10-A

[Article by Julio Leon S.]

[Excerpt] The Federal Government will "not let up in its effort or sacrifice the goals" it has proposed to temporary benefits because the crisis has imposed a high social cost that prevents us from throwing out all the efforts that have been made, Carlos Salinas de Gortari, secretary of Planning and Budget, said yesterday. He repeated that the fight against inflation will continue to be the basic priority of economic policy.

Speaking before the members of the Mexican Institute of Finance Executives, the official stated during that question and answer period following the luncheon that the process of "thinning down" the public sector has not been completed and that it will continue. However, he added that the government will not neglect its responsibility for government leadership and attention to basic social needs. The adjustment in the public sector is greater than that of the private sector and the policy of revising protectionism will be gradual, resolute and irreversible "because the rate of growth cannot be affected by the inefficient."

Salinas de Gortari said that although the worst of the crisis is over, the times ahead will continue to require realistic, imaginative and bold responses. Consequently, the economic policy for 1985 proposes to continue fighting inflation, strengthen real wages, continue to rehabilitate public and private finance, sustain the recovery and avoid any move backwards.

He repeated that in the face of proposals suggesting going more slowly, halting or moving backward, we Mexicans respond by reaffirming our desire for change. "Allow me to emphasize that the process of structural transformation is underway and we must continue to orient it so as to give a new thrust to the production of food and improve its distribution, redirect the industrial process to achieve greater internal integration and competitiveness abroad, increasing our export capacity, and promote qualitative changes in the social policies through the educational revolution and the transformation of health systems."

Modernizing Supply System

He added that there will also be emphasis on decentralizing economic and social progress, modernizing the supply and marketing system, organizing urban growth,

preserving the quality of the environment, increasing the number of jobs generated and laying the foundations for a gradual but lasting reduction in inequalities.

He noted that the challenge is to efficiently articulate the reorganization and change. In this sense, in order to continue the fight against inflation, it will be necessary to improve the relations of our economy with other countries so as to prevent excessive protectionism and the process of financial reorganization of the enterprises from turning into excessive price increases.

11,464

CSO: 3248/339

MEXICO

BRIEFS

CHIHUAHUA: PAN EXCESSES CHARGED--Ciudad Juarez, Chih, 9 Apr--Residents of the Jose Marti and Las Cualas colonias have been threatened, taken hostage and attacked physically and verbally by municipal police and PAN [National Action Party] colonia residents at the prompting of the current municipal administration. As a result, the People's Defense Committee (CDP) yesterday appealed for protection from the Second District Court, according to CDP leader Pedro Matus. At the doorway to the courtroom, Matus accused the local government of meddling in the internal affairs of colonia residents affiliated with the CDP for the purpose of creating splits, violence and confrontations between most residents and a handful sympathizing with the PAN. Supported by the municipal police, the latter daily provoke friction and quarrels among residents. The local leader said that for several weeks, elements from the preventive police and especially the group known as "Comas" have visited families sympathizing with the CDP in the Mexico 68, Jose Marti, Independencia and other colonias in order to try to frighten CDP members and make them abandon their organization under the threat of death, beatings and warnings. The CDP leader added that "the municipality, through the municipal police, has evicted hundreds of families, using violence and without any legal basis, families who have the basic right to meet their housing needs." The protection was requested collectively and is based on the frequent raids carried out by police in recent days in CDP colonias," Matus said. "We have not responded to the attacks and provocations of PAN members and the police because it is not the intention of the CDP to support action leading to broader scale police action. That is why we are requesting protection from federal justice for our members," he stated. Matus announced that this Wednesday, a demonstration will be held protesting the "open and obvious police brutality." [Text] [Mexico City EXCELSIOR in Spanish 10 Apr 85 'States' Section p 3] 11,464

MONTERREY: POLICE, PAN CLASH--Monterrey, N. L., 22 Apr--This morning, some 30 members of the PAN and officers from the Public Security Directorate were involved in a tremendous ruckus when police prevented PAN members from distributing their political propaganda on the Lincoln and Gonzalitos bridges. Four PAN members and over 20 police officers were injured. In addition, the candidates for federal deputyships for the PAN were arrested, although they told police that they were protected by the election law. The two PAN candidates were dragged before Police Chief Raul Fernandez de Hovos, who categorically refused to release them, saying: "Here the governor gives orders; the law serves no purpose." Caught by police as they were putting up their propaganda,

the PAN members defended themselves with whatever they could: sticks, rods, staves, fists and feet. Because of their resistance, the members of the Public Security Directorate had to call in reinforcements and support rapidly arrived. The incidents took place on the bridges known as Lincoln and Gonzalitos. There the candidates showed the election law, which in no provision prohibits placing propaganda on the bridges, meaning that the candidates and their sympathizers should not be punished either, much less arrested. However, they were arrested and detained. Those injured are Maricarmen Villafuerte, Jose Luis Gaytan, Claudia and Juanita Ramirez, the latter two minors. They were taken to Clinic 25 of the Social Security as a result of the serious injuries they suffered. Those hurt said that the police indiscriminately attacked both children and old people. There has not yet been any official report of how many police were hurt, but it is estimated that they number over 20. It is not known where they are being attended to. [Text] [Mexico City EXCELSIOR in Spanish 23 Apr 85 'States' Section p 2] 11,464

CSO: 3248/335

NETHERLANDS

ECONOMICS STUDY GROUP TO VISIT NETHERLANDS ANTILLES

Willemstad AMIGOE in Dutch 29 Mar 85 p 11

[Text] Willemstad--A delegation of experts of the European Commission and the Dutch Government are coming to the Antilles in order to study the possibilities of achieving a better adjusted association with the EEC. This could bear important fruits in the area of trade regulation and financial cooperation.

As known, Minister of Economic Affairs Don Mansur, accompanied by Dr Wellen and Dr Saab, has made a study trip to The Hague and Brussels. The most important reason for this trip was the upcoming reassociation of the Netherlands Antilles with the EEC. This reassociation takes place every 5 years and is especially important in connection with considerable benefits in the area of trade and in the financial support of the EEC for development projects in the Netherlands Antilles.

During the visit the extremely difficult economic situation in the Antilles was referred to both at the official and ministerial levels in the Hague and Brussels. The minister therefore made a request for special attention to the Antillean desires for reassociation. A novelty in the over 20-years association with the EEC was the achievement of a delegation of experts of the European Commission and the Dutch Government coming to the Antilles for further deliberation in order to study possibilities for arriving at a better adjusted association with the EEC. Both in the areas of the trade regulation with the EEC and financial cooperation this could bear important fruits, which would certainly benefit the economy of the Netherlands Antilles in the medium term.

During Don Mansur's visit to The Hague and Brussels, various other subjects also were raised. For example, there was a discussion with the Netherlands Credit Insurance Company (NCM), which promised support for the development of an export credit system in the Netherlands Antilles. This will have to be discussed further with a task force formed in Curaçao. Minister Ruding of Finance promised during the visit of his Antillean colleague to have a study carried out on the adjustment of the Dutch export credit insurance in order to facilitate exports from the Netherlands to Latin America, whereby the Antilles are utilized as a way station.

Important promises have been made as to the promotion of the development of the agricultural sector in our islands. Those were made in discussions with the Dutch Rabo Bank and with the chairman of production for Cattle and Meat. The Rabo bank will continue to support the agricultural financing branch of the OBNA [expansion unknown] both financially and technically and, moreover, it proved to be willing to extend a helping hand also to the Aruban Development Bank.

The Minister of Economic affairs also had several discussions with various companies on the possibilities of commercial establishment in the Netherlands Antilles. Some of that could result in actual establishments.

8700

CSO: 3214/23

NETHERLANDS

OPPOSITION TO POLICE REINFORCEMENTS FOR ARUBA

Willemstad AMIGOE in Dutch 23 Mar 85 p 3

[Text] The Hague/Willemstad--By means of written questions to Minister Jan de Koning of Netherlands Antilles Affairs, PvdA [Labor Party] Members of the Second Chamber Wijnie Jabaay and Willem Vermeend have expressed their disapproval of the stationing of Dutch policemen on Aruba. The members of parliament are of the opinion that the government in The Hague ought not to give in to the request of MEP [People's Electoral Movement] Leader Betico Croes to transfer 21 policemen from the Netherlands to Aruba in the framework of technical assistance.

AMIGOE already reported previously on statements of the Aruban political leader who had said that he would make an appeal to the Netherlands if a shortage of policemen should arise after the separate status. When Croes made this known, the minister of justice, according to an official information bulletin, had agreed to more than 20 requests for transfer of policemen currently working on Aruba. However, according to the police union on Aruba, amongst others, already over 50 requests for transfer are waiting, and the minister of justice recently also announced that he was concerned about the exodus of Aruban police personnel to be expected after the separate status goes into effect.

The Dutch opposition party PvdA informed Minister De Koning in advance that it is opposed to the stationing of Dutch police personnel. This party is of the opinion that the Netherlands should expand training opportunities on Aruba and possibly supply money for that purpose. The members of parliament do point out, however, that in order to preserve order and security on the island, one won't permit a gap to arise either. In the written questions addressed to the minister of Netherlands Antilles Affairs this week, the members of the chamber recall the problems which were caused in the past by such transfers, as well as the fact that the Dutch police union has dissuaded its members from applying for possible vacancies in Aruba. This took place recently, after the request of Betico Croes with respect to the transfer of Dutch police officials became known.

23 May 1985

NICARAGUA

GERMAN STUDY CRITICAL OF DEVELOPMENT AID POLICY

Frankfurt/Main FRANKFURTER RHEINHAUF in German 30 Mar 85 p 13

[Article by Ali Schwarz and Manfred Ernst: "Fertile Soil for Aid to Nicaragua"]

[Text] A heated dispute regarding aid policy has arisen over the subject of Nicaragua. In concrete terms, the dispute also revolves around the question of the effectiveness of German development aid as such. While the government keeps saying that meaningful help for Nicaragua is impossible, numerous private aid organizations arrive at a totally different conclusion. In order to assess both public and private development aid to Nicaragua, Ali Schwarz and Manfred Ernst, two social scientists, went to Nicaragua last year and spent several months there. The following is a slightly abbreviated summary of their findings.

According to the ministry for economic cooperation (BMZ), development aid amounting to some DM 169 million has been made available to Nicaragua in the years since the fall of the Somoza government. But the amounts which actually reached Nicaragua are much less.

From July 1979 until September 1983, Nicaragua was promised DM 92 million in aid. Of this amount, about DM 50 million have not reached Nicaragua as yet. The remaining DM 42 million were agreed upon on the basis of government negotiations and after the appropriate government documents were signed in October 1979 and July 1980, these grants were released for payment.

In 1981 and 1982, Nicaragua was promised DM 40 million; but since 1981 no further government-to-government negotiations have taken place in which the uses to which these funds were put would have had to be specified. Promises of this kind merely figure as optional items in the federal budget which set an upper limit but are not binding as regards actual payments; nor are they legally binding as agreements between governments would be.

But even if a government-to-government agreement does exist, that does not necessarily mean that payments will actually take place—as the Nicaraguan example demonstrates. As early as July 1980, a government agreement stipulated that DM 10 million would be provided to help rebuild hospitals in Esteli which had been destroyed during the civil war. To this day, the funds have not been disbursed—among other things because officials of the Credit Bureau for Reconstruction (KfW) were not allowed to go to Nicaragua to coordinate the disbursement with the appropriate Nicaraguan authorities. The KfW handles a great many projects for the ministry; but in the absence of negotiations regarding the implementation of agreements, no disbursement of funds can be made.

According to the ministry, technical cooperation projects worth DM 33 million—all of them handled by the Society for Technical Cooperation (GTZ)—were completed between July 1979 and August 1983. Even if DM 16 million of this amount were still open at the start of 1983, one may assume that most of it has been or will be disbursed because this represents the pay of the GTZ experts active in Nicaragua and the cost of the equipment needed to complete the projects.

Currently, there are five GTZ projects still running in Nicaragua. These are being offered by the government as proof of the fact that cooperation is continuing. Some projects—involving the primary school system and land surveys—have actually been extended by the FRG government. But no new projects have either been analyzed or approved since July 1982, even in those instances where the appropriate proposals had been submitted.

The continuation of some other projects was turned down—among them assistance to FINAIRE, a planning center for industrial studies which provides documentation on the basis of which meaningful decisions on the industrialization of a given country may be made.

Back in 1981, a proposal submitted to the GTZ was turned down in which a request was made for sending an expert in government organization to Nicaragua. This comes as a surprise because as a rule every opportunity is seized to send out high-level government advisers.

We believe that about half of the DM 125 million promised to Nicaragua by the different FRG governments since the fall of the Somoza regime has actually been paid out. The figures put out by the ministry, on the other hand, are misleading.

In addition to the GTZ and KfW, the German Development Service (DED) is also active in Nicaragua. In the seventies, the DED, which concentrates on sending out foreign aid personnel, enjoyed comparatively great political latitude and was able to offer very committed development aid. For some years now—particularly since the change of government in Bonn in 1982—it has been under great pressure.

In Nicaragua in particular, the DED helpers got to feel this pressure very much. Nicaragua is a prime example for the "DED turnaround."

In 1980, the DED went to Nicaragua with a so-called crash program to try to alleviate the immediate consequences of the war. During these first years, the focus was on medicine with an attempt being made to set up a health program throughout the country. Starting in 1981, special programs in agriculture and production followed and in 1983, collaboration in state-owned enterprises was begun.

When Minister Wamke took over the ministry, massive pressure was applied on the DED to curtail its activities in Nicaragua. Agreements about to run out were not extended and by the end of 1985 the number of DED male and female helpers which amounted to about 50 at times is to be cut to 20.

The non-governmental organizations receive some DM 400 million each year out of the BMZ budget to run their worldwide activities; but most of their work is financed through contributions. There are some major differences among the various organizations in terms of plans and methods—as the Nicaraguan example clearly demonstrates.

DM 55 Million from Non-Governmental Organizations

The following is a rundown of aid rendered to Nicaragua by non-governmental organizations (in millions of DM) between 1979 and 1984:

Bread for the World	14.0
Evangelical Central Agency	8.1
Misereor	12.9
Terre des Hommes	1.8
Medico International	6.0
World Famine Relief	5.9
Friedrich Ebert Foundation ¹	3.0
Friedrich Naumann Foundation ²	3.0

1. Estimate; in the process of being severely cut.

2. Estimate; in the process of being raised substantially.

The various organizations are making more or less determined efforts to maintain financial independence and the concomitant freedom of political action from its Bonn source of funds.

Parallel to the political position adopted by the FRG government vis-a-vis Nicaragua, World ~~Famine~~ Relief has stopped its assistance to Nicaragua while Misereor has cut down on its activities there.

By contrast, organizations such as Medico, EIRENE, Terre des Hommes and Services Overseas have stepped up their commitment continually. Whereas Misereor and World ~~Famine~~ Relief, just like governmental development aid activities are increasingly influenced by political considerations, other

organizations are primarily concerned with the development policy implications of theirs. These organizations emphasize that Nicaragua offers better conditions for meaningful development policy cooperation than most other Third World countries.

Thus, the attempt is constantly being made to shift the debate from the political-ideological plane to the development policy plane. This virtually assures the emergence of conflicts with the ministry. While World Famine Relief and Misereor are complying with the BMZ line, the controversies between the other organizations and the BMZ are becoming more heated. Although the BMZ received repeated invitations to a conference on **Nicaragua and El Salvador attended by well-known international experts** and sponsored by Medico, TDH, EIRENE and the Christian Initiative for El Salvador which was held in January 1985 in Cologne, it failed to send someone to represent it. The reason given for this by Minister Warnke was that he himself had commented on this issue at least one hundred times already and had nothing to add to that.

The ministry systematically drags out the time it spends on proposals for the funding of projects in Nicaragua which are submitted by organizations critical of the Bonn government's stand. Some proposals have been awaiting action for a year or more. Normally, proposals are processed within 2 to 4 months. Since 1983, everything dealing with Nicaragua has to be submitted to the minister himself.

If an organization is working together with a government office in Nicaragua, it usually receives no funds from the BMZ any longer.

By expanding their activities, some of the organizations are trying to make up for the cuts which they consider totally unjustified from a development policy point of view. Services Overseas, an organization of the Evangelical Church which renders personal aid, **increased the number of its workers in Nicaragua from 16 to 25 in 1984.** One of the reasons given for the increase was that the DED was forced to institute drastic cuts in the number of its personnel in Nicaragua under pressure by the ministry.

The Friedrich Ebert Foundation's (FES) retreat ran parallel to the policy of the FRG government. The Friedrich Naumann Foundation (FNS), on the other hand, has a natural partner in Nicaragua in the form of the Independent Liberal Party (PLI) of Nicaragua, which also happens to be in opposition to the ruling FSLN. The budget of the liberal FNS for its work in Nicaragua is twice the size of the social democratic FES—despite the fact that the FNS only has a DM 33 million budget to fund its worldwide activities as against DM 66 million for the FES.

The FNS sponsors projects in the cooperative society sector. As a partner in the Bonn government coalition, the FDP is jointly responsible for cutting and abolishing government development aid activities in Nicaragua; but via the FNS, it is sponsoring such projects in Nicaragua.

The spectrum of the solidarity movement for Nicaragua has broadened to a greater extent than was ever the case for a developing country in revolution during the past 25 years. It is anchored in church groups, labor unions and youth organizations and finds expression in associations of supporters specifically established to aid a particular project and reaches all the way to the Nicaraguan rural sector. The goal of these various groups have in common is to alter the distorted image of Nicaragua being offered by a major portion of the media with the help of a wide range of public relations activities. In addition, the solidarity movement for Nicaragua collects substantial sums made up of contributions and its own funds and also renders assistance.

These efforts are not necessarily based on development policy considerations alone but rather are understood in terms of political solidarity. This is the only possible explanation for the fact that as U.S. aggression has increased the solidarity movement has increased its support both in terms of money and personnel. The clearest evidence of this are the harvest, construction and medical brigades which have been at work continuously since December 1983.

It is not possible to come up with complete figures on contributions, since no overall totals are available either in the FRG or in Nicaragua. A few figures nonetheless: Since the establishment of the Nicaragua Information Bureau in Wuppertal in 1981, which acts as the coordinator of the solidarity movement, about DM 6 million has been collected up to this time. The money has been used for specific projects or was turned over to the FSLN to use as it saw fit.

Conclusions

1. Nicaragua is not a case study in the shift in development aid policy resulting from the change of government in Bonn. The SPD/FDP government had already begun to distance itself from the Sandinists in 1981. The flow of money to Nicaragua already began to dwindle while SPD-led governments were in power. The SPD did not utilize its capabilities as a ruling party and the necessary government-to-government negotiations to implement development aid cooperation were not initiated.

In different ways, the position adopted by the FRG political parties vis-a-vis Nicaragua is not dictated by principles of development aid but by foreign policy and alliance policy considerations. Thus, President Reagan's inauguration in 1981 was a much more decisive factor in the policy shift of FRG governments vis-a-vis Nicaragua than the actual change of government in Bonn a year later.

2. A survey conducted among a wide range of official development aid helpers and experts (of the CTZ and DED) as well as representatives and field workers of other organizations brought out complete agreement on the fact that the political parameters for cooperation in development aid in Nicaragua are far better than in most Third World countries. Obstacles such as a corrupt bureaucracy (the primary source of evil in any such cooperation) are virtually non-existent. The experts and field workers on the DED payroll also agree completely that the development strategy inaugurated by the Nicaraguan government in 1979 and oriented toward basic needs and popular participation is exemplary.

As for the reasons given by the FRG government time and again for cutting and abolishing aid to Nicaragua because she is destabilizing the region; because there are no democratic freedoms and because there is no guarantee that the funds are being meaningfully used, etc., the German field workers active in Nicaragua do not agree with them and consider them to be propaganda which has nothing to do with the realities inside the country.

3. Based on the work of the private organizations which are still very actively engaged in Nicaragua, it is possible to demonstrate the shift in attitudes toward development aid over the past 20 years. During the early sixties, the focus still was on humanitarian disaster relief and development aid was viewed as a means to make it easier for the developing nations to close the gap with the industrialized nations. Today, however, the private organizations believe that real change can only be brought about through structural change—or in other words a development which builds on the developing countries' own resources, guaranteeing basic needs such as education, medical attention and a humane environment; a type of development which calls for the active participation of the population in bringing about this upheaval. In the long term, this idea is based on the assumption that this requires a different social, political and economic world order.

The private organizations active in Nicaragua are supporting an emancipatory development, using slogans such as "help for self-help," "raising of consciousness" or "basic needs oriented structural change." This self-interpretation has a bearing, of course, on the public relations work they do in the FRG and that, in turn, differs widely according to the political preferences of the various groups.

4. All economic help is of doubtful value, if it is undone once again as a result of military action. In the first instance, Nicaragua is in need of political assistance such as would move the United States to put an end to the war—so that the country has a chance to bring its development model to completion. The meaning of the solidarity movement finds expression in this political assistance. Nonetheless, the economic contribution it makes—which seems little compared to the sum spent by the private organizations and the FRG government—should not be underestimated, since these funds make it possible to resettle refugees and to work in war zones.

The solidarity movement's power to mobilize which is based on its heterogeneity and decentralization (the multiplier effect) also has a bad side to it—in the sense that the movement is dependent on the ups and downs of the economy. That is another way of saying that the level of assistance depends to a large extent on the political processes inside Nicaragua itself. On the other hand, one may observe a certain euphoria and an over-estimation of one's own strength. Quite often, expectations are raised among the Nicaraguan population which can subsequently not be fulfilled.

Bonn Blocks Research Project

Manfred Ernst and Ali Schwarz, the two social scientists, were originally slated to receive support from the ASA program of the Carl Duisberg Society to carry out their research project. 90 percent of the funds for this program come from the ministry for economic cooperation. In 1984, however, the ASA project in Nicaragua was abolished by the Bonn government without any explanation. As a result, the remaining 130 participants of the 1984 ASA program financed the Nicaragua research project out of pocket. The two researchers' findings will soon appear in book form.

9478

CSO: 3620/334

NICARAGUA

SWEDISH UNION DONATES MACHINERY TO WORKERS

Managua EL NUEVO DIARIO in Spanish 13 Feb 85 p 7

[Text] The Swedish Metallurgical Union to date has donated machinery and supplementary equipment valued at more than \$500,000 to the Ministry of Construction's (MICONS) workers.

The basic donation consists of 15 pieces of machinery in addition to accessories such as drill bits, saws, drills, grinders and others for metallurgy work.

Currently Sune Norlund, Tommy Kallman, Voitto Puskala and Anders Gidlund, members of the union, in addition to installing the equipment are providing technical assistance and training to Nicaraguan workers.

It is noteworthy that this union obtains the machinery at special prices from Swedish companies and acquires donations earmarked for Nicaraguan workers. To do so they explain the Sandinista revolution's economic and political situation.

This union consists of a half-million workers in the metals and mechanical field, and its collaboration in Nicaragua's behalf dates from the insurrection period.

Anders Gidlund, in charge of coordinating the aid to Nicaragua from the Swedish union, stated that Nicaragua is the first country in which the union is providing this kind of cooperation.

SIDA authorization for the aid.

Sweden, a highly industrialized country, has a system of cooperation for developing countries which is coordinated by unions so that aid may be channeled to such countries.

In this way the unions present cooperation programs for other countries and the government assumes 20% of the project's cost and the remainder the trade union organization concerned with offering the cooperation.

Yesterday Per Froberg, attache for International Development (SIDA) from the Swedish embassy, visited the main MICONS plant for the purpose of finding out about the performance of the machinery donated and equipment for future cooperation.

At a meeting held with plant workers yesterday afternoon at that center, Manuel Corea expressed appreciation for the Swedish union's gesture of solidarity.

Then on behalf of the Swedish government and the Swedish embassy in Managua, Per Froberg stated that this aid has double significance both materially and morally inasmuch as Swedish workers are involved in the activities underway at the plant, which will be shown to other workers in Sweden to counteract misinformation reaching Europe through American agencies.

Cooperation for regional shops

After taking a tour through the plant, the Swedish Minister, accompanied by Edgardo de la Cruz, director general of equipment, Manuel Estrella, Secretary General of the MICONS federation of workers and his wife, in charge of equipment, had an interview with Major Mariano Valenzuela, MICONS minister. During the interview the minister expressed appreciation for the gesture of solidarity by the Swedish metallurgical union and possible details on obstacles which have arisen in gaining maximum benefit from the machinery, that because of the warfare which the country is experiencing a large number of personnel have been moved to combat units and that necessary steps are being taken to avoid mobilization of the plant personnel and to maintain stability in it.

He also referred to the project for regional workshops which the Swedish union will donate tools and prototype equipment for the workshop.

In June and July of this year 100 sets of tools and equipment earmarked for regional workers and technicians will be donated by the Swedish union.

In their own behalf the representatives of the government and trade union reaffirmed their intention to continue cooperation in the most sensitive areas of MICONS, such as following-up on the equipment, and technical advice on the equipment donated, as well as on other projects.

Next year regional workshops will be opened in all areas of the country. Swedish aid officials, the MICONS workers council and union top leadership will analyze priorities in their development work and the timing of Swedish aid.

NICARAGUA

INCREASE IN AFRICAN PALM PLANTINGS PROJECTED

Managua BARRICADA in Spanish 17 Feb 85 p 7

[Text] The Leonel Rugama Oil Company of Kukra-Hill fulfilled its production goals for '84 despite the shortage of manpower last year.

Despite the fact that that obstacle still persists, this oil center plans to sow 800 additional hectares of palm as an initial development plan. However, with reference to the number of plants now in nurseries, the potential for increase from the planting is estimated at about one thousand hectares.

The African palm project is one of the revolution's tasks being consolidated at an accelerated pace with integration of Atlantic coast natives with workers from the rest of the country.

"1984 ended with the sowing of 452 hectares and with more than 162,000 plants in the nurseries," so stated comrade Julio Martinez, company manager, who pointed out that the weightiest problem continues to be the manpower shortage, adding that "between May and October 1985 the center will require the presence of 600 new workers who will have to be added in staggered fashion."

Enthusiasm among cooperating producers

Aside from the government area of the project, being developed at Kukra-Hill are plantations belonging to farmers organized into cooperatives such as Luisa Amanda Espinoza, Rigoberto Lopez Perez and Teodoro Martinez.

Great enthusiasm exists among these farmers for sowing the African palm, which is shown by the attention they give to the plantings, to which they would not for anything in the world stop providing daily care, for the purpose of increasing production and productivity in this work now in its third year of cultivation.

Former Hipolito Guido, chairman of the Luisa Amanda Espinoza cooperative, reported that the spirit of the cooperative members is now even stronger inasmuch as the construction of 70 dwellings earmarked for farmers working on the project has been completed.

He also pointed out that the farmers are asking the Leonel Rugama company to supply machetes, rubber boots and a warehouse and consumer goods so that the palm plantations may be taken care of with greater efficiency.

Open contact with the company

In recent days members of the three cooperatives held a meeting with Fulvio Castillo and Julio Martinez, project managers at national and local level, respectively, to discuss several topics affecting the project.

The cooperative members set forth the necessity to guarantee tools for providing continuity to the effort; at the same time they demanded a definition of the financing policy as well as turnover of sown lands to the three cooperatives.

They also asked for details on financing for the current year and on donations received by the company to date. Lastly, they asked the company for baseball gear so that farmer amateurs might join the Atlantic Coast league. The open communication between producers and the company has been one of the factors in the consolidation of this project, the chairman of the Luisa Amanda Espinoza cooperative said in conclusion.

9436

CSO: 3248/249

PERU

APRA PARTY FACTIONS, REFORMS, ECONOMIC DEVELOPMENT

Lima PERU ECONOMIC IN REFORMS AND DEVELOPMENT

[Text] More than one observer has noted the suggestive similarity between the slogan of the 1980 Belaunde campaign: "Our leader for all Peruvians," and the Alanist [Alan Garcia] message of 1985: "Our commitment is to all Peruvians." What both candidates have tried to achieve with that slogan is not only to make the most of their distinctive qualities, but also obtain a certain margin of independence vis-à-vis their respective parties. But while in the election campaign the phrase is turning out well for the Aprista candidate as it did for Fernando Belaunde in 1980, it is less sure likely, if he is elected as everything seems to indicate, it will be, that Alan Garcia will be able to maintain with his party the same type of relations that the founder and undisputed leader of the Popular Action Party has maintained with his group. This is especially true if one considers that for the APRA, "Parliament is the dominant branch of government" and that it still rally all the main figures of Aprismo, with the exception of Alan Garcia himself.

Formally speaking, the main body of the APRA is the party congress, which normally convenes every 5 years. At the 1980 congress, the secretary general, the deputy secretary general, the chairman of 14 national committees and the members of the National Executive Committee are elected. The latter is -- in a scarcely executive manner -- made up of 12 secretaries. The top authority in the party is the secretary general -- now most held by Alan Garcia. The second in line, as deputy secretary general, is the former mayor of Trujillo, Jorge Torres Valdivia. Traditionally, however, the Apristas have deemed that the second source of power in the party is the political committee now headed by Luis Alberto Sanchez and 12 national members, the secretary general, former secretaries general and former heads of government. Another traditionally important post is the National Administrative Secretariat, which Garcia used as a springboard to the office of secretary general and which is now occupied by Luis Felipe de la Haza. Finally, in recent years, the National Government Planning Commission (CONPLAN), headed by Luis Alva Castro, has become particularly relevant.

In contrast with the 1980 congress, Belaunde was a presidential candidate, there are not now any method of electing Belaunde within the PUS (Aprista Party of Peru). The great Aprista leader has thus become familiar and unpopular Garcia because he has revitalized the party and led it to many certain victories. But while one cannot make any prediction about the future of the party, it is nevertheless obvious that the party is still a powerful force in the country.

Garcia's ability to impose his will on the party internally -- at least initially -- will increase substantially.

While Garcia is the son and grandson of Apristas, which has helped his legitimacy in a party accustomed to demanding long-standing credentials, the long period he spent abroad caused him to lose contacts within the APRA. His rapid ascent to the highest level of the party is an expression of his boldness, his sense of timing and the leadership vacuum that emerged following the departure of Armando Villanueva from the party leadership. His close circle of strategists includes his wife Pilar, a few friends -- the most influential of which is Luis Gonzales Posada, promoter of the daily HOY and the weekly VISION -- young Apristas such as Romulo Leon and publicist Hugo Otero. His private secretary is Agustin Mantilla. Other leaders such as Alfredo Barnechea and Remigio Morales Bermudez are also considered within the party as Alanists.

Garcia's desire to open up the party is genuine and logical since this would make it possible to solidify his authority. However, intentions are one thing and blunt reality something else. In his statement of candidacy, Garcia claimed to leave the vice presidencies free for a future concertation with independents or other political groups, but they were covered by Sanchez and Luis Alva Castro. There were later talks in the direction of incorporating from 10 to 20 percent independents on the parliamentary lists. However, when the hour of truth came, out of 240 candidates, fewer than 3 percent are non-Apristas. Garcia could barely offer two seats to his former schoolmate Carlos Blancas, secretary general of the Christian Democratic Party, and the same number either to SODE or the newspaper LA REPUBLICA, it is not yet known which. Faced with the fait accompli of a partisan closing of ranks in search of seats, Garcia could only console himself that it would be different in the Executive Branch.

The figure most able to oppose Alan within the party is undoubtedly Armando Villa nueva, not only because of his personal leadership, but because of the somewhat father-son relationship linking them. The former presidential candidate has the sympathies of the intermediate generation: Melgar, Larco Cox, the trade unions following Luis Negreiros and a number of unorthodox figures such as Javier Valle Riestra.

Garcia enjoys the counsel of Luis Alberto Sanchez, who has the backing of the most moderate sector of the party: Lozada Stambury, Ponce de Leon, and most leaders of the first generations, including Ramiro Priale, in countering Villanueva's influence. One interesting indicator of the shift in balance will be seen with the results of the controversial preferential vote. Villanueva shrewdly yielded the first place on the list to Sanchez and consequently, can accept it as natural if the latter beats him in the voting. However, if he is beaten by other candidates, some of whom have spent large sums on the campaign, he could lose his current preeminence. The balance of power is so delicate in the APRA that Pablo Macera has accurately stated that Sanchez needs a strong Villanueva to be able to exert influence on Garcia.

Luis Alva Castro is the fourth figure in the APRA and the main organizer among the most prominent party leaders. A contemporary of Garcia, whose comrade but

not buddy he is, he worked like a veritable ant in CONAPLAN, with the support of Cesar Garrido Lecca, Jose Barsallo, Alberto Vera La Rosa and a group of independent technicians headed by Jose Palomino and Tustavo Saberlein.

With great shrewdness, Garcia wields the balance of power between the groups mentioned and other smaller groups such as those of Torres Vallejo and De las Casas. He consults them, seeking the support of all and most of them -- including the Armandistas -- give him support not lacking in criticism. Garcia also occasionally sounds out persons such as Manuel Moreyra and Javier Silva Ruete of SODE, especially the former, whose vision is generally in contrast with certain positions predominant in CONAPLAN.

Who would be in Garcia's first Cabinet and what would the features of his economic program be? First of all, it is obvious that the prime minister would have to be an Aprista and the logical name is Luis Alva Castro, both because as president of CONAPLAN, the post would formally belong to him, and because Garcia prefers him to the only other real option within the party: Villanueva.

Alva Castro does not want the Ministry of Economy and Finance and would prefer to be a prime minister without portfolio. This would enable Garcia to summon Manuel Moreyra for that post. The former president of the Central Bank not only has the prestige, experience and necessary influence, but in addition, he discarded the parliamentary option in SODE, saving himself for the Executive Branch.

Not only does Moreyra want to be a minister but, with a sense of politics halfway between Messianic and dramatic, he believes that no one at the present time can do a better job than he. In his interpretation of things, any reasonable handling of economic policy must begin with an overall renegotiation of the foreign debt, for which purpose he feels especially gifted. Nor is he wrong. Interest for the next 5 years amounts to over \$8 billion. Moreyra believes that if a serious plan of economic rehabilitation is proposed, that interest can be reduced by three-fourths. No other measure: neither the accelerated promotion of exports nor a drastic reduction in imports nor the unconditional attraction of foreign investment nor even a hypothetical legalization of cocaine, could give the Peruvian economy, at a single stroke, the relief of \$2 billion in its balance of payments for the next 5 years.

Creditors are not going to let go of such a sum willingly and Moreyra's strategy is not without a high political cost. His plan would consist in applying a drastic program of adjustment effective 28 July, shifting to the previous government and the benevolence with which the IMF treated it all responsibility for the unpopular measures he would have to adopt. After a few months, when one could exhibit progress in indicators such as exports, the fiscal deficit and inflation, one could propose a take-it-or-leave-it position to the banks, implying a regularization of payments in exchange for a reduction in interest rates.

Although risky, such a maneuver is not without a certain logic. To date, for example, the Latin American country that has obtained the best terms from the

Unlike Borge and Barner, who were considered to be highly sought-after posts, Andres Borge had been considered as a possible foreign minister for the APRA but now that he has the offer of the post he has stepped out in line within the party is Carlos Bory de Saint-Vincent (Cabo Verde) who is now in Turin. However, Alfredo Barner has been asked to stay in Lima and to continue his highly promoted institute and his work in the area of social and economic development. The Social Democratic

If he should become necessary, he would have to go to Ambassador Carlos Alzamora, until such time as the [Latin American Economic System] In diplomatic relations, the [Latin American Economic System] would stand [Latin American Economic System] presence in Torre Tagle received in the [Latin American Economic System] and be as well general of [Latin American Economic System] former secretary minister.

[illegible]

A possibly suitable site for a new road to the Lima Bar (Fig. 1) is shown in Figure 2. A road of this type would be about 100 m long. Nishida (1960) estimated that the

CHAIRMAN, former dean of the
university. If he should be
Chairman of CAL,
and a member of Senator
CARTER's Central Committee.

Concerning the α -dependence of the β -branching, a simplified model of the β AC, β AC(1), is considered by General and others (1990). The β AC(1) is a β -transition of the Enriques-Mulliken type (1956, 1958). Air (1960) has shown

Accordingly, it is possible
that the different
groups are cooperating with
each other in the government of
the country. Eduardo Mercado Barrin,
son of the Torre Di Tella,
and Barrin.

The candidate for Maria, the youngest, is other was killed in of the 1941 although the others from 1941 to 1944 that winter. In the time the economy its representative high productivity the most common Fernando (1941)

...culture in Alfredo Santa
...of Trujillo.
...and the president
...Gustavo Garcia Mundaca,
...from the PAP
...might seek
...the post during
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...to obtain
...candidate with
...agriculture is

For the Ministry of Industry, Commerce, Tourism and Integration, the two candidates most frequently named: Jose Palomino and Gustavo Saberbein, are both former officials of that ministry and members of CONAPLAN. For the Commerce sector, which would eventually become a Foreign Trade Institute, Salomon Lerner, former manager of EPCHAP [Public Enterprise for Marketing Fishmeal and Fish Oil] and ENCI [National Enterprise for Industrial Marketing] during the first phase of the military government, is mentioned, but it is also possible that Alejandro Tabini, the main promoter of the institute, would be called upon to head it. If Saberbein is not appointed as minister of industry, then the director of CIEPA [Center for Action-Oriented Economic Research], may be named to head the INP [National Institute of Planning], although Javier Tantalean Arbulu, son of former Minister Javier Tantalean Vanini, is also constantly mentioned for the post.

For the Ministry of Energy and Mines, several names are suggested. The favorite until only recently was Councilman Alberto Vera La Rosa, but it is not known to what extent his public disagreement with Alan Garcia over the Barrante-Mohme contract may have affected his possibilities. Other names mentioned for high posts in this sector are those of Wilfredo Huayta and Cesar Robles. Nor is there more certainty about who might be the ministers of Transport, Housing and the head of INADE [expansion unknown]. The names mentioned for any one of these posts are those of contractors Luis Bedoya Velez, Armando Guiulfo, former dean of the College of Engineers Carlos del Rio, and the pre-candidate for the mayoralty of Lima, Abel Salinas, publicly asked by Alan Garcia not to run for Parliament because he needed his help in the Executive Branch.

For the difficult Ministry of Labor and Social Welfare, the main candidates are Senator Romualdo Biaggi and Deputy Jose Linares Gallo, director of the Center of Advanced Trade Union Studies (CAES). Both, however, have filed as senatorial candidates. If they are elected, their possibilities of occupying the ministry could be reduced. A third option is Christian Democrat Carlos Blancas, professor of labor law, even if he is elected deputy, since it is assumed that in this chamber, the PAP would have a more comfortable majority.

David Tejada, a high official in the World Health Organization (WHO) and a long-time Aprista, is the most likely minister of health. Another strong candidate is Jose Barsallo, although the latter is mentioned more as a possible president of the IPSS [Peruvian Institute of Social Security]. Other possible doctor candidates for the ministry are Fernando Cabieses and Manuel Pizarro.

Finally, for the Ministry of Education, it is possible that Luis Alberto Sanchez will propose Hugo Garcia Salvatecci, professor of political philosophy and doctor of education. It is known, however, that Alan Garcia would also be considering the possibility of naming psychologist Leonoldo Chianno or former teachers leader Humberto Carranza.

Fernando Belaunde began his second term with the Ulloa Cabinet which, with very few changes, lasted for 30 months, enough time for a coherent program of stabilization to show positive results. Will the first Cabinet of the next government have that time? If Alan Garcia as president is half as good as he has been as a candidate, he should risk all his cards to obtain it and make use

of his recognized political shrewdness in order to handle two future processes of key importance: the PAP congress to be held in October 1985 to elect the new secretary general, and the municipal elections in November 1986, in which it is possible that the APRA will register the first signs of a loss of popular support. The intelligence with which he faces these two events will, to a great extent, determine the political survival of his first Cabinet.

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CSO: 3348/613

PERU

BOTH APRA, IU MAY PLAN TO CHANGE GOVERNMENTAL STRUCTURE

Lima PERU ECONOMICO in Spanish Apr 85 pp 6, 11-12

[Excerpt] "Peruvian politics is full of paradoxical situations," commented one European diplomat. "For example, the APRA [American Revolutionary Popular Alliance], whose founder presided over the assembly that drafted the constitution now in effect, plans to reform it if he wins the elections. In contrast, the Popular Action (AP), a party that did not participate in the Constituent Assembly, did not take advantage of its parliamentary majority to modify the constitution!" APRA members explain their position by noting that while they were the largest group in the Constituent Assembly, they did not have an absolute majority, which prevented them from incorporating into that document concepts or institutions that had the simultaneous opposition of the left and the Peruvian Communist Party. Thus it was that the 50th proposal of the National Economic Congress once again stayed on the shelf and several APRA leaders -- including members of the National Government Planning Commission (CONAPLAN) -- once again propose its creation, along with the merger of the Senate and the Chamber of Deputies into a single political chamber, which would require a constitutional amendment.

The proposal of uniting the two chambers in a single body is in contradiction, however, with previous proposals of the APRA, such as that of Carlos Enrique Melgar, who, as chairman of the Governmental Structure Commission, maintained at the Constituent Assembly that the bicameral setup was necessary insofar as the Chamber of Deputies had to be essentially political, while the Senate would have the functions of reflection and revision. On the other hand, deputy and senatorial candidate Javier Valle Riestra believes that the revisory function of the second chamber is unnecessary because the president of the republic has the power to send back to Parliament those bills he deems in need of revision. "Finally, one can always resort to the Tribunal of Constitutional Guarantees," says Valle Riestra. In any case, the elimination of one of the chambers could only go into effect with the election of a new Parliament in 1990, provided that the proposal is passed, like any other constitutional reform, by the two chambers that now exist in two successive legislative sessions, something that even with an absolute majority, the APRA would have difficulty achieving. Some members of Parliament could validly presume that such a measure would restrict their possibilities of reelection. It should also be noted that the possible defeat of the governing party in the 1986 municipal elections would destroy the legitimacy of any constitutional reform it would intend to make at that time.

There is, however, a reform in the organization of legislative power which, since it is not constitutional in nature, could be made immediately. It would result in a significant improvement in parliamentary work. Such a modification would amount to limiting the participation of members to a maximum of two or three committees so that they might work effectively. It would also considerably reduce the number of committees corresponding to the number of sectors into which the public administration is divided. "This would make more effective dialogue with the Executive Branch possible," says Senator Ernesto Alayza Grundy of the Peruvian Communist Party. "Those opposed to reducing the number of committees do so because this would limit their possibilities of including on their calling cards the title of chairman of such and such a committee," notes another leftist member. Reorganization of the committees would be particularly important in the Chamber of Deputies, where they already number over 50!

The APRA also proposes a series of modifications in the structure of the Executive Branch, the main one being to free the prime minister of the obligation that he bear another specific post as head of a ministry. Experts agree on the suitability of this measure. Luis Bustamante, director of the Public Administration Program of the University of the Pacific, maintains that this is indispensable for improving government coordination without neglecting the handling of a ministry, especially when the prime minister now bears the responsibility of two posts which, in the opinion of Bustamante, might even be the basis of two ministries: regional affairs and coordination with Parliament. Most of the constitutionalists believe that the constitution does not require the prime minister to be head of a specific ministry, but only to be a minister. Nevertheless, at the commencement of this administration, when Ulloa was prime minister, Javier Alva promoted passage of a law that eliminated the possible existence of ministers without portfolio. In other words, it might be enough to modify that law to eliminate the restriction.

Another modification now being debated by high officials in the PAP [Aprista Party of Peru] is the reorganization of the MEF [Ministry of Economy and Finance] and the INP [National Institute of Planning] in order to create a Ministry of Finance and another of Economy and Planning. The purpose would be twofold. On the one hand, one would consolidate what has in fact been recently occurring, the concentration of the ministry of Avenida Abancay in the handling of the treasury and the foreign debt. On the other hand, one would revitalize the neglected work of economic planning. Certain Aprista leaders, however, believe that one should not eliminate the current Ministry of Economy and Finance and that what should be done is to free the head of that ministry from some of his duties through greater delegation of responsibilities, for example, by naming a plenipotentiary minister for renegotiation of the foreign debt.

However, all do agree that the leadership of commercial policy should not be the responsibility of the Ministry of Economy and Finance, but not that of the Ministry of Industry either. Consequently, there has been thought of creating an independent ministry or an Institute of Foreign Trade and Integration. On the other hand, one sector that might go without a ministry is Fishing. The proposal has the powerful opposition of Luis Negreitos, a trade union leader of port workers, but it does have the support of CONAPLAN and SODE [expansion unknown] officials. The fishing sector would be incorporated into the Ministry of Agriculture or Industry.

Another proposal is the merger of the three military ministries into one Defense Ministry. "The problem is that no one dares propose it because they do not want to make enemies of the armed forces," one Populist senator admits. "If the next government wants to do so, it would be better to do it early in the administration, before it loses its popular support," he concludes. One high SODE official maintains that the appointment of a civilian as minister of defense would be the best way to rationalize military spending. "Perhaps we would have to compensate for the measure by simultaneously naming a few generals and admirals to other ministries," adds an Aprista analyst.

The IU [United Left], which agrees with the PAP on the suitability of combining the military ministries goes even further in his proposal to reorganize the Executive Branch. It proposes reducing the number of ministries to nine and reorganizing them into state secretariats. The ministries would be Defense, Foreign Affairs, Domestic Government, Natural Resources, Industries, Infrastructure, Finance, Economy and Welfare. "The idea is that the administrative work which currently demands a large part of the time of each ministry would be delegated to the secretaries," says Rolando Ames, senatorial candidate for the IU and a political scientist. Another advantage of reducing the number of ministries would be to make Cabinet sessions more effective. With the some 20 participants it now has, in the words of one former minister, "it is simply inoperative." However, the Apristas do not believe it is viable to significantly reduce the number of ministries. They propose giving greater importance to the interministerial committees on economic affairs, social affairs and security. Senator Alayza agrees with this proposal and maintains that in order to improve the operation of these "little councils," it is necessary to make them more formal than they have been up to now.

Along with the need for greater coordination within the government, the main political parties agree on the suitability of promoting greater concertation between the government -- as the group responsible for state leadership -- and the social organizations in which the various population sectors are grouped to defend their interests.

For this purpose, the IU proposes to organize, in an initial phase, a meeting of social organizations as a forum and then, in a later phase, advises reforming the constitution so as to have 25 percent of the members of Parliament elected individually, through rank-and-file organizations.

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CSO: 3348/613

PERU

APRA CANDIDATE'S WIFE FROM ARGENTINE FAMILY

Lima CARETAS in Spanish 11 Feb 85 pp 37-38

[Article by A. Bonilla]

[Text] Her grandfather Antonio Nores (she remembers him with a beard like Unamuno) was president of the National University of Cordoba when the university reform of 1918 took place--which had such an influence on the then student Haya de la Torre. This turned out to be the breeding ground of an important generation of mid-century Latin American politicians (such as Romulo Betancourt, Raul Leoni, Jose Figueres, and so many other social democrats who, along with Haya, were followers of the reform begun by Gabriel del Mazo in that Argentine province) and who later went on to be politicians and presidents.

The historic circumstances, however, were not auspicious for perhaps the most important of those politicians, Peruvian Haya de la Torre, who never managed to achieve the presidency which he sought on three occasions.

Her father, Rogelio Nores Martinez--who also was president of the university--and Victor Raul now meet in the historic university: the two main avenues which face it bear their names.

Pilar Nores, wife of the Aprista candidate and mother of two of his daughters, could be Cordoba's next link to Aprism if Alan Garcia becomes president next April. This is also the month when her expected new child should be born.

That grandfather Antonio--of whom Pilar retains distant memories--was, besides a medical doctor and academician, a man with a public calling: he founded the first daily newspaper in Cordoba, the Catholic LOS PRINCIPIOS, which he directed until his death. Then Rogelio continued it.

Besides marrying Elena Bodereau, with whom he had 14 children (Pilar was the 13th) he was governor of Cordoba and founder of the first private television station in the interior of Argentina: Cordoba's Channel 12.

But possibly the main reason that one of the avenues facing the university now bears his name is that during his presidency of the university the first nuclear power plant in the nation was installed, right there in Cordoba, and connected with the university.

A descendent of six generations of Cordobans, except for one French maternal grandfather, Pilar recalls her Catholic upbringing ("she prayed the rosary every evening") in a home in which the 14 children were equally divided between seven boys and seven girls ("my father was an engineer") and she came to be the wife of the Peruvian with the most possibility of taking over the responsibility of the government during 1985-90.

She met Alan Garcia in 1975 in Madrid, when both were attending a congress on development in Latin America organized by the Institute for Hispanic Culture.

The husky young fellow, then less robust and with longer hair, divided his post-graduate training between Paris and Madrid. When he had finished it in Alcala de Henares, he received a call from Haya de la Torre: "The possibility that democracy may emerge has opened up in Lima, and I want you to return." This happened in 1977, when Josefina had already been born.

From then on the rise was breath-taking: constituent, secretary of the organization, secretary for ideology and doctrine, general secretary, and presidential candidate--where he stands now.

What is it like being the wife of the presidential candidate with the greatest possibility of taking over the government? "It means a lot of work and anxiety. Before, I knew this was true only by statistics, but it is very different doing field work in the slums."

At present she is devoting her greatest effort there. A hundred communal feeding stations have been installed. Actually, the idea is simple: it requires an industrial kerosene stove, three large pots, and a little initial capital--some 100,000 soles--which is used for the first meal. The prices are obviously producer prices. There is no profit motive, and even the contracts which are signed are revocable if they deviate from their non-profit objective.

The experiment has been going on since last August. They were given a rather unusual house in El Zapallal, Bella Aurora, where every head of family subscribes 4,100 soles and takes away as many portions as there are members in the family. What happens is that combining the principles of cooperativism and solidarity, a census of everyone who lived in the neighborhood took place, the accounts were drawn up, and they arrived at a figure where everyone pays the same amount, although those who have more children take away more portions. Actually, those who have fewer children subsidize those who are more burdened.

As Mrs. Garcia explains, in the poor settlements there is a large female labor force which is poorly utilized. Therefore, the principal objective of the secretariat for developing towns of the PAP [Aprista Party of Peru] is the setting up of day-care centers, where the mothers may leave their children while they carry on some productive work. It is in the poor homes where the most time is wasted in cooking and in caring for children. Agreeing with her

husband, Pilar says that democracy must begin for the poorest people. It is sad to see directly how this unprecedented crisis has struck at the very poorest people, who are totally neglected, she says.

Moreover, being the wife of the candidate also means saying goodbye to a normal life. We have not been to the movies for 3 years, and now we have to get accustomed to police protection. But everything can be surmounted when it comes to serving the people, Mrs. Neres concludes by saying she is awaiting the month of April with confidence. In the middle of that month the results of the first round of balloting will be known, and at the end of it they will know if a baby boy will finally be born to the Garcia-Neres family.

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PERU

1984 JAPANESE TRADE FIGURES SHOW SURPLUS

Lima EL COMERCIO in Spanish 17 Apr 85 p A-15

[Text] In 1984, Peru's commercial trade with Japan recorded a surplus of \$274.2 million. In 1982 and 1983, our country also achieved surpluses in trade with that country amounting to \$218 million and \$305.9 million respectively.

According to figures compiled by the Japanese Official Foreign Trade Organization (JETRO) in 1982, Peru sold products worth \$541.2 million to the Japanese market. In 1983, that figure rose to \$487.3 million but in 1984, it fell to \$407.3 million, a drop of 16.4 percent compared with the preceding year.

Peru's purchases from Japan amounted to \$323.3 million in 1982, \$181.4 million in 1983 and \$160.1 million in 1984, figure representing a drop of 11.7 percent compared with the previous year.

As is customary in trade between the two countries, the main Peruvian product going to Japan was metallic minerals and derivatives, totaling some \$360 million (\$192 million for minerals and \$168 million for derivatives) in 1984. That figure was \$31 million higher than the 1983 total.

Among the minerals exported in 1984, zinc is in first place with a total of \$74.6 million (46.3-percent increase over 1983), followed by iron with \$43.5 million (down 11.3 percent), copper with \$36.5 million (down 15.9 percent) and lead with \$35.7 million, showing a substantial drop of 37.1 percent compared with 1983.

In the category of manufactured metal products for export, the total in 1984 was \$168 million, 32.4 percent higher than the 1983 figure, which was \$129.4 million.

Copper and its alloys contributed the most to this category with \$114.5 million and its increase over the preceding year was 41.9 percent.

Exports of silver and laminated silver represented \$32 million, while zinc and zinc alloy exports totaled \$18.5 million. Lead and lead alloys totaled \$3 million. The variations were down 11.4 percent and up 98.6 and 275.3 percent respectively.

In 1984, there was a noteworthy increase in textile exports, with an increase of 50.5 percent over the 1983 figure. However, the total sum in dollars (\$7.1 million) is not a large figure if one compares it with traditional export products.

Concerning Peruvian imports from Japan, they were worth \$160.1 million, a drop of 11.7 percent compared with the previous year. Nearly 85 percent of the total is made up of articles from heavy industry, whose worth was \$136.4 million.

Imports of machinery and equipment totaled \$98.1 million, with a drop of 26.1 percent compared with 1983, when the total was \$132.8 million.

Among other products, Peru imported oils, animal and vegetable fats and tires, with the latter up 66.3 percent over 1983.

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CSO: 3348/613

PERU

CGTP-SPONSORED STRIKES COST 9 MILLION MANHOURS

Lima EL COMERCIO in Spanish 12 Feb 85 p A-4

[Text] Six nation-wide strikes have taken place during the last 4 years, instigated by labor union and politically leftist organizations (CGTP [General Federation of Peruvian Workers]), resulting in 9,009,840 lost manhours, according to a report by the Ministry of Labor.

The strikes were as follows:

General nation-wide strike by the CGTP-CTP [Confederation of Peruvian Workers] of 15 Jan. 1981, which affected 326,000 workers (2% of the urban salaried PEA) and caused 2,608,000 lost manhours.

Nation-wide strike of the CGTP on 22 Sept. 1981, which affected 72,989 workers (10.1%) and caused 583,912 lost manhours.

General nation-wide strike of 10 March 1983, which affected 298,322 workers (41.4%) and caused 2,386,576 lost manhours.

Nation-wide strike of the CGTP on 27 Sept 1983, which affected 75,117 workers (10.4%) and caused 680,936 lost manhours.

General nation-wide strike of 22 March 1984, which affected 242,175 workers (33.6%) and caused 1,937,400 lost manhours.

Nation-wide strike of the CGTP of 29 Nov. 1984, which affected 101,627 workers (14.1%) and caused 813,016 lost manhours.

It was also reported that 1,365,024 manhours were lost in Jan 1984 due to various strikes, while in the same month of this year the figure under that heading fell to 393,642.

In that period the 37 strikes that occurred affected 76,271 workers. Last month the 39 strikes recorded affected 10,802 workers.

However, officials of the Labor Technical Office of the Ministry of Labor reported that of the 52 strikes so far this year (up to and including yesterday) none have a political origin or nature.

All those taking place up to now are due to labor disputes, said Luis Arana, head of that office. That is, they have been carried out inside companies.

In comparing the two months of January, the difference in manhours lost is explainable because in 1984 the figure was heavily weighted by the provincial strike in Piura (44,461 persons involved.)

There was also the strike of the civil construction workers in Torres de Limatambo (2,000) and two nation-wide strikes of bank workers (23,276).

The most significant in January 1985, by number of workers involved, were those in the Ilo refinery (411 workers) and the one in Cajamarquilla (552.)

Another factor that helped to lower the impact in January was the solution in December of the list of demands of a sector of the Petro-Peru workers. In other sectors it is still under discussion.

Political Strikes

The official estimated that for time reasons it would be difficult to organize a nation-wide strike in the time remaining before the day set for the general elections--next 14 April.

Strikes of a political type are generally nation-wide strikes. They are followed by departmental ones, with a certain relativity. Regional ones can be political, but while this government has been in power there have not been any.

Arana said that it is the CGTP (with its communist orientation) and the parties of the Left who instigate nation-wide or political strikes. The CTP (which supports the APRA party) brings up the rear in those cases.

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CSO: 3348/408

PERU

BARRANTES REPORTEDLY GAVE HUMAN RIGHTS DATA TO FRG GREENS

Lima EL COMERCIO in Spanish 15 Feb 85 p A-4

[Text] Mayor Alfonso Barrantes Lingan, IU [United Left] candidate for the presidency, during his recent trip to the Federal Republic of Germany reportedly gave newspaper clippings and other information about alleged crimes and missing persons in Peru to German opposition parliamentarians (there called the "Greens.")

They have prepared a "letter of protest," based on this information and signed by 17 "Green" members of Parliament, which they will deliver to President Fernando Belaunde next Monday through Krizsman Julio. He arrived in Lima yesterday, heading a delegation of eight opposition representatives from the Federal Republic of Germany Parliament.

On his arrival at our airport, Julio told reporters that among the appointments which he will have in Lima will be an audience with President Belaunde, during which he will deliver the above-mentioned protest letter, which concerns 917 cases of missing persons, based on newspaper accounts which were furnished by Barrantes on his recent visit to the FRG.

Regarding these statements, the charge d'affaires of the FRG explained that Julio is not the official spokesman of his government, nor of the visiting delegation.

The letter alludes to 917 missing persons. According to Julio, the report was based on clippings from Lima newspapers and on information which Mayor Alfonso Barrantes furnished them when he visited the Federal Republic of Germany.

Julio also said that he is carrying out a trip through Colombia, Peru, Argentina and Brazil together with other parliamentarians from his country so as to gather information about the economic situation there.

Julio stated that there should be closer relations between the FRG and the nations of Latin America.

He criticized the IMF and the private world bank, because of the pressures which they put on the poor nations. He said he was in favor of finding an equilibrium point which would allow the debtors to pay off their accounts.

As a pacifist, he said that he did not approve of the missiles which Russia and the USA are installing in Europe.

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CSO: 3348/408

SURINAME

INTERFAITH GATHERING EXAMINES RELIGION'S ROLE IN SOCIETY

Willemstad AMIGOE in Dutch 29 Mar 85 'Napa' suppl p 6

[Report by J. Vernoog: "Religion and the Future of Suriname"]

[Text] Under the above title, a congress with an interreligious character was held in Paramaribo on 6-7 February 1985. The Committee of Christian Churches had organized a large church congress in February 1981 under the title: CHRISTIANS ARE IN REVOLUTION. The congress has never had a follow-up whereas, meanwhile, drastic changes have taken place in Suriname. The organizers of the congress RELIGION AND THE FUTURE OF SURINAME were the theologists Carlo Giuamo and Joop Vernooij. The plan was not to have only Christians gather, but also Muslims and Hindus. About 40 people of different religious orientations participated in the public congress.

Islam

On the first day, Mr Humphrey Nurmohamed, former member of parliament of the United Hindustani Party and member of the Surinamese Muslim Association (orthodox), gave an introductory speech on Islam and its views on the state, society, and co-citizenship.

He emphasized that, according to Islamic ideas, the state should treat all citizens as equals, and that Islam considers all people to be brothers and sisters. Especially the poor are given attention in Islamic thinking, for they must be maintained by the community, and not only through the requirement that every muslim must give alms.

The absolute unity and brotherhood of Islam must be the guarantee that the rights of every citizen are acknowledged, such as the right of democracy, education, access to the judicial power.

The theocracy of Islam means that every citizen is required to help in building up the community and to show respect for the legal authority, which, in turn, must deserve this respect.

It is the duty of the state to support religions and give them full opportunities. In Suriname, where a number of important religions are represented in equal proportions, Islam cannot predominate. The legislation ought to be set up in such a way that all religions are given equal value, and that can be done through the recognition of religious holidays on a national basis. It can be done through equal subsidies. He spoke of the "historical advantage of Christianity."

The Christian churches, which have been represented in Suriname already since the start of colonization, are getting a greater subsidy than Islamic and Hindu organizations. That is clear, for example, from the wage payments of clergymen. For example, in the Islamic community about 10 pastors are subsidized by the state, as is the case also in the Suriname Evangelical Brethren community. The subsidies for the Hindu and Muslim organizations, however, do not exceed the subsidy of one clergyman of the Christian communities. This has been a source of complaints for many years already, just as has the unequal valuation of religious holidays. In 1970 Holi-Phagwa (of the Hindus) and Id ul Fitr (of the Muslims) were initiated as national holidays. Both groups feel that Christianity with its various national holidays is still being overemphasized. However, those Christian communities have already given up the second Easter day, Ascension day and the second Pentecost day, all that with a view to dialogue.

In the discussion following that, it became clear that there was a great need for cooperation between the various religions in the country. Unity might have a good effect on the society, which was so divided in the past. In that manner the religions, all of which deal with the themes of brotherhood and equality anyway, can contribute to the forming and growth of the nation.

It was also clear that the Islamic legislation ought to be studied further when the National Assembly starts working on a new constitution for the republic. Naturally Suriname cannot become an Islamic state, but it would at least be courteous to take Islamic premises and rules into account.

Within Islam, concern for the poor is important. Considerable coordinating work could be accomplished by the various religious organizations, all of which are already involved in some type of care for the poor. However, relief for the poor ought to go beyond the giving of alms and charity. Structural dependence should be eliminated. The participants expressed themselves clearly in favor of that.

Right

On the second day, Hesdie Samuel, theologian of the Evangelical Brethren Community and army preacher, gave an introductory speech on rights and justice as pillars of the community. According to biblical theology, the concepts of right and justice mainly concern the establishment of the community and the history of a nation. The community of the new testament was called upon by God to live and act according to God's act of salvation, just as the tasks of the king and the prophet in the old testament. The entire chosen people is being called to justice.

Human Rights

Dr Irma Loembang Tobing Klein, jurist and member of the national institute of human rights, subsequently spoke on the question of human rights and religion.

First she outlined the historical growth of the idea and the formulation of human rights in western frames of thinking, thus starting with the formulation of the English Habeas Corpus (1679) and the American Declaration of Independence (1776) of the United States of America.

Next she differentiated between the classical (western) views of human rights such as individual freedoms and rights, and the views of primarily the Third World, where human rights are primarily centered around basic living conditions, solidarity and community.

Suriname is a partner in approximately 20 international treaties, conventions and declarations. But most citizens know little about that, and thus it is important to provide much more education with respect to human rights, so that perhaps the recognition and honoring of human rights will attain a higher level.

In Suriname, religions are acknowledged as belonging to one of the human rights. The various religions could accomplish a great deal in the acknowledgment of human rights from within their own aspirations and deeds. All of them profess tolerance, equality, love and honesty. With that, she provided the various religions with a clear task for the future.

In the subsequent panel discussion, a statement on the ideas of Hinduism was also given. The dharma of hinduism instructs people to grow into mature people, together with other human beings. Virtues include a forgiving nature, an even temper, patience, and respect for the human being. Hinduism can furnish a contribution to the diversity in healthy human relations, especially with regard to the practice of virtues through individual exertion.

Also on this second day the unequal recognition and valuation of religions were brought up, as was the finding that although perhaps religions have high and holy ideas, in daily practice not much of it comes about.

Therefore it was proposed that the religious organizations really ought to consult themselves internally. For also within the religious communities there are abuses in the area of democracy, freedom, recognition and equal rights.

The participants were also very interested in having the results of the congress passed on to leading authorities, since the suggestions and recommendations might to bring about some renewal and improvement. And, at least, equal rights should apply to all religious institutions.

Follow-Up

The participants were very enthusiastic after the two days and signed up on the spot to get together and think further about the problems.

In any event, the documents of the congress have been passed on to the leadership of the country and to churches or religious groups. What is important now is to work with those internally.

The organizers thought that the participation had been very satisfactory and that fundamental matters had been brought out. Somewhat neglected, however, was the matter of religions examining themselves, because within the organizations there is considerable work to be done in the area of religion and the future, religion and human rights, and religion and the political course of events in the country.

It was not for naught that the congress took place in February. The first lustrum of the revolution had to be broached within the churches also, and the congress elicited soul searching and reflection. The participants in the congress did not come from the leadership groups of the religious organizations and represented, as it were, the lower level, the common base. The congress, which was given wide attention in the press, was a look back at turbulent times and simultaneously a hopeful sign for the future, in which religion can and--according to the participants--must furnish a more important contribution to the good of the Surinamese community than before.

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CSO: 3214/24

URUGUAY

SENATOR BATTLE SAYS GATT HINDERS RAW MATERIAL IMPORTS

Montevideo BUSQUEDA in Spanish 21 Mar 85 p 14

[Text] "No one puts up a poster in a plaza saying 'Down with GATT.' But they should, because to put it very bluntly, GATT is wrecking us. GATT is not allowing us to expand our industrial development and is curbing the inflow of raw materials to our markets. GATT is what authorizes the industrialized countries to subsidize their raw materials, and GATT is what forbids underdeveloped countries to develop their industriss. It's the root of the problem." This was how Senator Jorge Battle summarized the difficulties that the country is having in its foreign trade, development and economic recovery policies.

Selective Memory

His strongly-worded remark came in response to a question on foreign policy. He also indicated: "When people talk about international economic policy, they often bring up certain things and overlook others. They bring up things that are apparently more tactful, more manageable from the standpoint of the man on the street and the response they might get, such as the IMF. And they overlook GATT."

"If we were major exporters, what would the IMF matter to us? You go to the IMF as you would go to a bank: when it's needed. If you export and have more than enough foreign exchange because you export and import, you go to the IMF only to say hello and see how things are and you might even borrow some money."

The newsmen asked him whether he had discussed the issue with U.S. Secretary of State George Shultz when he was in Montevideo on 1 March

"Yes, sir."

"What did you talk about?"

"I can't commit a breach of trust."

Spiraling Madness

He had talked previously about his meetings with FRG Foreign Minister Genscher during his recent visit and highlighted the importance of aid. "Germany is without doubt an enormously important country in the world, and if Germany once again makes its presence felt in Latin America by lending us its cultural, scientific and technological cooperation, I think that our countries are going to get a big boost for their development and will also have a great partner for the efforts that have to be made within the European Economic Community, where we are obviously getting to the point of an absurdity. From my talks with other officials in the German delegation I learned that the absurdity has gotten to the point of a \$50 billion a year investment, which is absurd for the investment capacity in other areas of Europe itself and which backfires on Europe, because if we can't sell to it, we can't buy either. Then they have to lend us money to buy technology, and then we make things that we can't sell to anyone. All in all, it's spiraling madness, an absurdity."

8743

CSO: 3348/583

VENEZUELA

AD SECRETARY GENERAL DISCUSSES PARTY INNER CIRCLE

Caracas EL UNIVERSAL in Spanish 13 Apr 85 p 1-12

[Article by Nicolas Rondon Nucete]

[Text] The secretary general of Democratic Action, Manuel Penalver, agrees with Reinaldo Leandro Mora, the president of the National Congress and vice president of AD, that the "inner circle" [cogollito] must be institutionalized.

"It has always existed," Penalver contended. "It used to be in the bylaws. Now it exists in practice, and we ought to institutionalize it. Everyone agrees on this."

Who would be part of it?

"The president, the secretary general and the vice presidents."

Would former presidents of the republic and former presidential candidates be left out?

"It has to be small. If we started including former presidents and former candidates, it would no longer be an inner circle. It would be another CEN [National Executive Committee]. It is supposed to be a streamlined group for dealing on the spot with political issues that would later come before the CEN."

Wouldn't that create operational problems for the CEN?

"No organization in the world operates as an assembly; it always functions as a committee that pursues a policy."

According to this statement by AD Secretary General Manuel Penalver, former President Carlos Andres Perez and former presidential candidate Luis Pinerua Ordaz would thus not be involved in inner circle talks with current President Jaime Lusinchi; the change would also do away with certain powers of CEN officials. The other former presidents, Romulo Betancourt, Romulo Gallegos and Raul Leoni, are dead. The other former candidate is Gonzalo Barrios, who would be part of the inner circle because he is serving as party president.

What was not made clear, though (and reporters were to blame), is whether the inner circle can exclude the president of the republic from its meetings.

A Marxist-Leninist Dictatorship in Nicaragua

The interview with Manuel Penalver took place after he had spoken in his office with Arturo Cruz, a leader of the opposition to the Sandinist Government who ran in the recent election in Nicaragua.

What does Arturo Cruz's visit represent?

"It was a courtesy call. Every time he comes to Venezuela, he pays us a visit. Our party is behind him."

As secretary general of the ruling party, what do you think of U.S. President Ronald Reagan's proposal about Nicaragua?

"President Jaime Lusinchi has set forth the administration's opposition, and Gonzalo Barrios has set forth the party's opposition. Any path, any means of achieving peace, pluralism and democracy in Central America, especially in Nicaragua, is welcome," Penalver said.

Is Ronald Reagan's such a plan?

"Any plan within the framework of Contadora is welcome and can be explored at the bargaining table."

The reporters continued to ask questions about Nicaragua:

Do you feel that the U.S. Government has changed its position on Nicaragua?

"We are not talking about the current opposition. There has to be some sort of compromise, and the Reagan proposal and Contadora can be of use."

There was talk of the guerrilla fighting in Venezuela in the 1960's, and one of the reporters compared it to the current situation in both Nicaragua and El Salvador. Penalver was then asked:

Do you feel that there was or was not an election in Nicaragua?

"The opposition did not take part," he replied. "There is press censorship in Nicaragua, and there are no non-Sandinist labor unions. The Unified Federation of Workers, an affiliate of ICFTUO [International Conference of Free Trade Union Organizations], is being persecuted, and we have pointed out specific cases. The Social Christian group is also being persecuted. There has been no union freedom in Nicaragua since the Sandinists arrived," Penalver asserted.

But wasn't the current government reelected? a reporter asked.

"That was not an election. There was no pluralism."

Are you saying that the opposition did not run?

"The Sandinists did not let them take part; they sabotaged and persecuted the opposition."

One of the reporters indicated that the guerrillas battling the government of Romulo Betancourt in the 1960's were not allowed to take part either. Manuel Penalver replied that in 1963 the Venezuelan guerrillas called for bullets yes, ballots no, and the people left them in the lurch.

But isn't what's good for the goose good for the gander? reporters fired back at Penalver.

"In Venezuela the guerrillas exchanged their rifles for seats in the Congress and on city councils. Others returned to the party and turned their rifles in for a white AD card."

Concluding his comments on Nicaragua, the AD secretary general asserted that there is a Marxist-Leninist government in that country at the moment.

"We combat dictatorships of all stripes; that has been Democratic Action's approach," he remarked.

Penalver Off to Mexico

Manuel Penalver is off to Mexico today to attend a meeting of the Regional Inter-American Organization of Workers, of which Ismario Gonzalez, a Venezuelan, could become president. Gonzalez is currently president of the Federation of Health Care Workers in our country.

He reported that he would be away from Venezuela for 10 days but that the party would proceed with its Monday meeting of the CEN, which last met before Holy Week. He added that next week there would be a CEN inner circle and inner inner circle meeting at which President Lusinchi would report to party leaders on his trip to the United States.

Nicaraguan Opposition Leader

"I am prepared to defend my civil rights against the blackmail by the Sandinist Government in my country, which wants me to surrender politically before it lets me back in. In the face of this violation of my right to live in my country, I am preparing to return to Managua against all risks," Arturo Cruz said during his visit with AD Secretary General Manuel Penalver.

Cruz, who is currently living in exile in Costa Rica and the United States, said that in general he backed the Reagan proposal, indicating that "the Nicaraguan opposition has always been in favor of a dialogue for national reconstruction that would bring democracy to the country through a democratic constitution." Furthermore, Cruz voiced opposition to the establishment of a Sandinist government in exile and underscored the need to put pressure on Commander Ortega's government from within and through the world's democratic mass media so that it agrees to talk with opposition groups.

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CSO: 3348/620

VENEZUELA

COPEI SECRETARY GENERAL ON PARTY STRATEGY, OTHER ISSUES

Caracas EL UNIVERSAL in Spanish 14 Apr 85 p 1-14

[Text] COPEI members have been analyzing their party's internal situation since last Friday. They are assessing their own self-image and the image they convey to the rest of the country with a view towards returning to Miraflores in 1988. COPEI's first Politicoadministrative Stock-Taking in 1985 was held in San Antonio de Los Altos at the headquarters of the University of Workers of Latin America (UATL).

Party leaders from all over the country will meet with top officials from the National Committee to work on two fundamental issues:
1) Deciding on the sort of political opposition that COPEI will engage in over the coming 4 years; 2) Spelling out a political program that will defend COPEI's accomplishments and message but that is not based on the failure of the present administration.

In spite of Eduardo Fernandez's repeated urgings to preserve the "confidentiality" of the party's opposition politics (the analogy being that "chess players" do not tell their opponents what moves they are going to make), we managed to see several preliminary documents that convey the gist of what it will do.

The COPEI strategy is basically this: to undertake action "towards the country," which boils down to "making contact with nongovernment Venezuela through community leaders as part of a nationwide understanding aimed at isolating AD."

In addition, the strategy inside the party is to "regroup, overcome factionalism and become the hub of a national convergence, improving communication to head up a homogeneous, combative opposition."

This nationwide strategy can be broken down into three activities:
1) informing; 2) bringing back COPEI members who have gone into hiding (these are the party activists who were traumatized by the electoral defeat into not taking part in internal affairs); and 3) contacting opinion-makers.

There are five phases to COPEI's opposition strategy and to its so-called "National Barnstorming Plan" [Plan Nacional de Giras]. They are: 1) Advance work; 2) Barnstorming; 3) Follow-up and assessment; 4) Consolidation, and 5) Check-up.

This program, which was designed by the Secretariat of Regional Affairs, must be implemented and coordinated in each region of the country under the supervision of the national coordinator of COPEI regional organizations.

Eduardo Fernandez, the party's secretary general, was in San Antonio de los Altos instructing the secretaries of each region about the opposition politics that COPEI will engage in over the next few years. In Fernandez's opinion, this issue is the core of the present party gathering.

The morning discussions ended at 12 noon sharp, and Fernandez then made ready to talk with newsmen. Wearing a beige safari jacket and a green short-sleeved shirt (very much in tune with the event), Fernandez received effusive greetings from regional leaders, who approached him to say enthusiastically: "Eduardo, you're the next president of the republic" or "you're the candidate in '88." He was understandably in a very cheerful mood when we spoke to him.

We asked Fernandez what he thought about the findings of various opinion polls.

The COPEI secretary general feels that the best way to defend democracy and political parties in Venezuela is "by rectifying everything that has to be rectified. Revamping the parties. Bringing them up to date and opening them up to all sectors of national life."

"If the parties continue to be seen as closed groups pressured by minor interest groups and distracted by trivial feuding, then the underpinning of democracy will weaken," Fernandez said.

He asserted that top political leaders are among the most honest and ethical people in the country. He mentioned the names of Pompeyo Marquez, Moises Moleiro, Romulo Betancourt and, in COPEI, Pedro del Corral, Rafael Caldera and Aristides Calvani. These are thoroughly honest politicians, he said.

There are, however, isolated incidents that prompt skepticism in the people, for example, the way that the investigation into the Sierra Nevada affair was called off, Fernandez added.

A Very Mysterious Trip by the President

When asked about President Jaime Lusinchi's trip to the United States, he said that it had been "very mysterious," inasmuch as the reason for it has not been sufficiently explained.

"If it was to negotiate a debt rescheduling, it is totally out of place for the president to get involved. If it was to promote foreign investment, we don't believe that the president should get caught up in this matter. If it was for other reasons, then we feel that they should have been explained to the country. In any event, an AD leader said that the president was taking some time off. It was a very strange trip," he noted.

Antidemocratic Writings

Fernandez acknowledged that "literature is being produced to undermine the democratic system." The best way to combat this conspiracy is to see to it that democracy works better and reaffirms ethical values.

"Who is writing such literature and where? In newspapers or books?"

"In various places."

The deliberations of the COPEI leaders conclude today. The closing speech will be delivered by former President Rafael Caldera. He will be preceded by the general rapporteur, Enrique Perez Olivares, who will present a report on the COPEI opposition strategy in the coming years. Party Secretary General Eduardo Fernandez will present another report.

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CSO: 3348/620

VENEZUELA

CARLOS ANDRES PEREZ' STAND ON NICARAGUA CRITICIZED

Caracas ZETA in Spanish 18-29 Apr 85 pp 11-12

[Text] Speaking on a TV program carefully designed to inform the CIA that he has changed his position on Central America, Carlos Andres Perez blamed the Sandinists for the bloody consequences that could result from their stubborn opposition to President Reagan's peace proposal.

In January of this year ZETA published what could be regarded as the most important commentary yet made concerning the AD presidential nomination for 1988, that is to say, the election that year and the country's destiny as of 1989. The cover story was entitled "Carlos Andres Breaks With Sandinism," with the preface "Preparing His Candidacy."

Inside, the Political Report section analyzed the letter that Carlos Andres Perez had sent to Nicaragua's recently elected president, Daniel Ortega. It indicated that Perez's letter to Ortega was one of the most important developments in recent hemispheric politics, that it was being painstakingly studied by U.S. experts and that their assessment would be decisive for Carlos Andres Perez's chances of running for Venezuelan president again. At stake is not banana plantations in Central America but instead the most secure source of oil that the world's number one power has, after Mexico and its own supplies.

By denouncing the Nicaraguan election farce in his letter to Daniel Ortega, Carlos Andres was obviously trying to erase his image as a threat to continental security in the eyes of hemispheric power centers.

On Monday of this week, Carlos Andres took another step to the Right in his thinly veiled plan to seek the AD presidential nomination in 1988. It was a carefully prepared television interview with his former press secretary, journalist Edgardo de Castro. Carlos Andres reviewed the political situation in Latin America in general and then touched on the issue that he really wanted to: U.S. President Ronald Reagan's peace proposal to Nicaragua.

In light of Perez's track record, the former champion of the Sandinists could have been expected to roundly condemn the American president's proposal. But that was not the case. Carlos Andres instead condemned the Sandinists, blaming them for what might happen henceforth, even bloody fighting in which the entire continent, Venezuela included of course, would be involved.

The program began on a sidetrack, with the reporter broaching the situation in Chile, Argentina and Brazil. Carlos Andres took an overly antimilitaristic tack in this regard, as if to cushion his lurch to the Right a few minutes later.

After discussing the Argentine military, Tancredo Neves, Pinochet and APRA [American Revolutionary Popular Alliance], the candidate was led by his former press secretary into the subject he really wanted to get his teeth into: Nicaragua and the Reagan proposal. His comments were dialectic gems. Striking a precarious balance between his past and his future, he discussed the situation in such a way that he never appeared to be renouncing support for the Sandinists or softening his antagonism towards Reagan while at the same time putting together a new profile for the analysts in the American Embassy. By dawn on Tuesday these analysts must have been sending a videotape of the program to Washington and Virginia for examination not only by political experts but also by the technicians who use electronics and computers to assess the degree of credibility of given statements.

The core of Carlos Andres's new line of reasoning is that the Sandinists are being criminally irresponsible by flatly rejecting the U.S. president's proposal that they sit down and talk with the opposition, even the armed opposition. By taking this approach, the Sandinists are closing off the road to peace and making U.S. intervention "inevitable" (this was the adjective he used); with Latin America's response to this intervention, the consequences would be catastrophic for stability in the hemisphere. The only shortcoming that Perez found in Reagan's proposal was that it sets a deadline (60 days) for acceptance and indicates what the United States regards as an appropriate outcome of these talks.

Whether or not Carlos Andres's new stand on the tragedy in Central America is right (and it could well be), the important thing for an analysis of domestic Venezuelan politics like this report is that Perez has shown that he is willing to make any sacrifice to meet the internal and external requirements for winning the presidential nomination in 1988. He is, in fact, even prepared to sacrifice what he himself has regarded as his historic mission as the champion of revolution in Latin America.

This sacrifice of future immortality for a present reward, of a statue for a presidential chair, must have the other presidential hopefuls on tenterhooks. Dr Lepage must be particularly concerned, since

he has just made a controversial display of his presidential ambitions, not only with his whirlwind of activities during the days that he was acting president but also with the publicity that they were given. Morales Bello and Canache must be equally annoyed, as they had been speculating that Perez might transfer his resources to them, thus giving them his blessing as candidates in 1988.

They must be even more uneasy as a result of the latest polls. At a low in 1979, the year after the election loss and when Perez was caught up in the Sierra Nevada affair, the former president's popularity is now at a peak, as voters contrast the affluence under his administration with the crunch in the succeeding one.

Perez's foes, who are many and influential, will of course react to the second step that Carlos Andres has taken to circumvent the major obstacle to his chances of becoming Venezuelan president once again: the mistrust that he arouses among those who consider containment of Soviet expansion in Latin America the number one priority.

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